

BRIEFS

Abu Dhabi spends \$1b on development

ABU DHABI, Jan 24: The Gulf Emirate of Abu Dhabi has spent almost one billion dollar per year on development since 1987, mostly on the services sector, the planning ministry said Saturday. It said development expenditure stood at 21 billion dirham (5.7 billion dollar) between 1987 and 1992 in Abu Dhabi, a member of the United Arab Emirates (UAE), reports AFP.

EC economies brace for worst yr

BRUSSELS, Jan 24: European Community economies are braced for their worst year in more than a decade and economist say they might not get back on track fully before 1995 at the earliest. The EC's executive European Commission on Monday again cut its projection of 1993 economic growth for the 12 member countries to a sombre 0.8 per cent, which would be the lowest figure since the 1981-1982 recession, reports AFP.

New York Post looks for prayer

NEW YORK, Jan 24: The New York Post's owner is looking for a buyer for the tabloid and needs union agreement for 20 per cent pay cuts to keep the paper publishing next week, his spokesman said Friday. If the unions refuse, the paper could suspend publication on Monday, said spokesman Martin McLaughlin. In addition, the newsstand price of the tabloid will increase a dime to 50 cents on Monday if the paper publishes, McLaughlin said, reports AP.

Russia's trade falls by 24 pc

MOSCOW, Jan 24: Russia's foreign trade volume fell by 24 per cent to 72.4 billion US dollar in 1992, the first year of transition to the market economy, according to the latest figures issued by the state statistics commission. The commission said that Russia's export volume decreased by 27 per cent to 37.1 billion dollar in the year as against the previous year while its import volume 19 per cent to 35.3 billion dollar, reports Xinhua.

Morocco makes dirham convertible

RABAT, Jan 24: Morocco has lifted some exchange controls on the dirham to make the local currency easier to use in foreign transactions, officials announced. Finance Minister Mohamed Berrada announced Friday that the Morocco officially accepted International Monetary Fund guidelines on convertibility as of Thursday, reports AP.

Indian power sector seeks Russian co-op

NEW DELHI, Jan 24: India, which hopes to arouse American interest in an investment potential of 14 billion dollar in its power sector, has also sounded out the Russians to expand the scope of joint ventures in the field. Indian Power Minister NKP Salve and Russian Deputy Premier Valadimir Shumchko held talks Friday on measures to boost cooperation in the country's electricity sector, a government statement said Saturday, reports AFP.

US may match EC's upbeat mood for a quick GATT deal

LONDON, Jan 24: The new United States administration may be willing to match the momentum in the European Community (EC) aimed at completing quickly the Uruguay Round of talks on world trade reforms, the EC's trade negotiator said Saturday, reports AFP.

In an interview with the Financial Times newspaper Sir Leon Brittan, the EC's Trade Commissioner, said that plans were being made for an early resumption of US-EC world trade talks, and that "momentum had been jacked up."

It was now at a point where "if the Clinton administration picks up the ball and runs with it" an agreement was possible before US presidential power to press a Uruguay Round deal quickly through Congress expires early in March.

Brittan said he was ready to

meet the new US Trade Representative Mickey Kantor at a moment's notice.

He also claimed a GATT (General Agreement on Tariffs and Trade) deal had come tantalisingly close in Geneva last week following significant head-way on proposed tariff cuts in sensitive sectors such as textiles and electronics.

The negotiators stopped short because of US pressure to rewrite other parts of the draft Uruguay Round agreement, Brittan said. I don't believe that substantial changes are possible without Pandora's box being opened," he added.

"Everything depends on the attitude of the US administration," he said.

Brittan said his first priority was to impress on the United States "the urgency and desirability of reaching an early agreement."

There is no single step which will have a more beneficial effect on the world economy than an agreement," he said.

The EC trade negotiator conceded that tangible trade gains would take time to emerge, but said an important boost could come from the "announcement effect" of a breakthrough.

Deadlines have constantly been broken for completion of the Uruguay Round talks.

An earlier report from Brussels adds: European External Economic Relations Commissioner Sir Leon Brittan called on Friday for a fair and speedy GATT agreement on liberalising world trade and stressed that big profits were at stake for European industry, says Reuters.

"I want to finish this negotiation as soon as possible fairly, with balanced concessions

from all leading industrial countries. It is a positive sum game-win-win", Brittan told the French Chamber of Commerce in London.

"British and French industrialists and entrepreneurs have major gains to pocket," said Brittan, stressing that the GATT (General Agreement on Tariffs and Trade) Uruguay Round talks were not just about agriculture.

Brittan, extracts of whose speech were released in Brussels, said recent progress in Geneva towards reaching a GATT settlement must not be lost but built on with the new US administration.

Brittan said industrialists and businessmen should speak up and support the commission in its efforts to clinch a GATT deal, saying they had much to gain in new and established international markets.

G7 to meet on world economy, Russian aid

TOKYO, Jan 24: Finance Ministers from the Group of Seven (G7) industrialised countries are planning to meet soon to discuss the world economy and Russian aid, Kyodo news agency said on Sunday, reports Reuters.

Kyodo, quoting international financial sources, said officials were attempting to schedule the meeting, which will include central bank leaders, for February.

But it could be in March if new US President Bill Clinton's administration requires additional time to prepare for its first G7 meeting, it said.

The latest report confirms earlier comments by Japanese Finance Ministry officials, who said they expected the meeting to take place on a weekend.

The meeting is being called to discuss means of reviving the stagnant world economy and assisting Russia with its economic reforms.

It will serve also as an opportunity to coordinate policy with the new Clinton administration and discuss currency policies, ministry officials have said.

Tokyo to take retaliatory trade move for first time

TOKYO, Jan 24: Japan, long regarded as an unfair trader by other countries, is preparing to take a retaliatory trade move of its own for the first time, a leading financial daily said on Saturday, says a Reuters report.

Japan will soon impose antidumping duties on imports of ferro-silicon manganese from China, a suspected market, according to the Nihon Keizai Shinbun daily.

Government officials were not available for comment on a weekend.

After a two-month study, Tokyo finance and trade officials have concluded that China, Norway and South Africa dumped ferro-silicon on Japanese markets by selling the material well below fair-market prices, the report said.

Japan, which has never imposed antidumping measures on another country, is expected to penalise China by slapping duties of up to 25 per cent on imports of the material, it said.

Norway and South Africa will not be targeted for fear of retaliation against Japanese firms conducting business in those countries.

Unemployment in Russia to soar this yr

MOSCOW, Jan 24: Russian unemployment is set to soar in 1993, but it will remain low compared to western countries, the head of the Russian State Employment Service said on Friday, reports Reuters.

Fyodor Prokopov told a news conference he expected the number of people unemployed to rise by the end of this year to between four and six million from 577,000 at the end of 1992.

"But it is not a social catastrophe compared with rates in other countries in Europe and America," he said.

Russia's working population is 70.4 million people, so six million unemployed would be about 8.5 per cent.

World leaders call for conditional cancellation of Africa's debt

JOHANNESBURG, Jan 24: World eminent persons Saturday called for a conditional cancellation of Africa's foreign debt, report Xinhua.

Among the eminent persons are former British Prime Minister Lord James Callaghan, former Nigerian head of state Olusegun Obasanjo, former Zambian President Kenneth Kaunda, and former Portuguese Prime Minister Maria de Lurdes Pintasilgo. They made the call at a meeting in Cape Town, South Africa.

They also emphasized the need for a free press to check rampant corruption across the continent.

At the three-day meeting they will discuss the marginalization of Africa and ways of

reintegrating African states in to the mainstream of the international system.

South African President FW De Klerk, African National Congress (ANC) deputy president Wealeer Sisulu, and Inkatha leader Mangosuthu Buthe were also present at the meeting.

The Cape Town meeting, the first of its kind held in Africa, is also mandated to discuss problems such as Africa's economic decline, poverty, illiteracy and ethnic tensions, and to recommend viable measures to bring about changes for the better.

The findings and recommendations will be communicated to African leaders and the international community.

Riyadh proposes lower OPEC output ceiling

RIYADH, Jan 24: Saudi Arabia has proposed reducing OPEC's production ceiling by a million barrels of oil a day to encourage a rise in prices on the world market, the Saudi news agency SPA reported Saturday, says AFP.

It said the proposal came during a meeting in Paris between Saudi Oil Minister Hisham Nazer and the current Chairman of the Organisation of Petroleum Exporting Countries (OPEC) Alirio Parra the Venezuelan Oil Minister.

"Saudi Arabia submitted to the OPEC Chairman a proposal that the cartel reduce by an average of one Million Barrels' Day (MBD) its production ceiling decided last November" in Vienna SPA quoted Nazer as saying.

The cut "should be shared among the 12 OPEC member states in proportion to their production quotas", Nazer said adding that OPEC members would have to "adhere strictly to the (new) quota."

In November, OPEC ministers set a production ceiling of 24,582 MBD for the first quarter of 1993. But the ceiling failed to halt the decline in oil prices which remain below

the OPEC target of 21 dollar barrel.

Nazer was quoted as saying that if the Saudi proposal were accepted the "oil market will evolve very favourably".

In a message to OPEC members sent on January 11 and quoted by the Middle East Economic Survey, Parra said he was deeply concerned about the situation of the oil market and pressed members to abide by their quotas.

He asked OPEC members to give a written undertaking to respect the Vienna agreement and to envisage voluntarily reducing production or exports if prices continued to decline.

Parra arrives in Tehran

Reuters adds from Dubai: OPEC President Alirio Parra of Venezuela arrived in Tehran Saturday at the start of a Middle East tour to seek an accord on crude oil output cuts aimed at shoring up falling world prices.

The president of the Organisation of Petroleum Exporting Countries is trying to reach agreement on a new accord on OPEC production levels which is intended to take effect in March or April.

India allows banks in private sector

NEW DELHI, Jan 24: India's central bank, in line with economic reforms, has allowed the setting up of private banks to introduce greater competition and efficiency in the banking system, reports AFP.

Issuing 16-point guidelines, the Reserve Bank of India said private banks must serve the underlying goals of financial reforms and observe priority sector lending targets applicable to other domestic banks.

Among the goals of economic reforms undertaken by the government of Prime Minister Narasimha Rao during the past 18 months is providing competitive, efficient and low cost financial services, and upgrading banking technology.

Since nationalisation of major banks in 1969 and again in 1980, about 86 per cent of the total banking business in India has come under the control of the public sector.

A multi-million securities

scam last April, however, revealed serious loop-holes in the country's banking operations.

"A stage has now been reached when new private sector banks may be allowed to be set up," the Reserve Bank said.

It warned, however, that the new banks should avoid shortcomings like unfair concentration of credit, monopolisation of economic power, and cross holdings with industrial groups.

The Reserve Bank guidelines, which were announced Friday and published in several newspapers, Saturday, envisage that the minimum paid-up capital of a private bank shall be one billion rupee (about 33 million dollar), and shares of the bank will be listed on the stock exchanges.

A new bank shall not be allowed to set up a subsidiary or a mutual fund for at least three years after it has been set up, the Reserve Bank stated.



Members of New York's Chinese community celebrating the advent of Chinese New Year which will be a year of Rooster, indicating prosperity and good luck. — Star TV photo

Tourists to tropical region will face health problems, say experts

SINGAPORE, Jan 24: Half of the 16 million people who will travel to tropical and semi-tropical countries this year will experience a health problem, health experts say, reports AP.

While a third will be hit by travellers' diarrhoea, a common tourist complaint, two out of every 100 will end up with malaria, a debilitating fever which is more difficult to shake off.

Health and travel industry officials say these figures, compiled by the World Health Organisation (WHO), were prompting joint action by countries in the region to prevent the spread of diseases across borders in the wake of the Asia-Pacific region's biggest tourism boom.

They said that the spread of diseases -- like the Acquired Immune Deficiency Syndrome (AIDS) and hepatitis -- highlighted the need for programmes to protect both tourists and host populations.

"The health experience is

the one element the visitor blames on the destination," said Dain Simpson, a travel consultant and member of the Pacific Asia Travel Association (PATA).

Delegates at a recent international conference on tourism and medicine here said the responsibility now lay with the hotel and travel industries and governments to monitor food safety standards, ensure water potability and check the spread of disease.

"The medical community and the health ministry should collaborate with statutory tourist bodies to gain the support of the travel industry," said Narimah Awain, a senior official at Malaysia Health Ministry.

According to experts, in estimated 300 million people cross national borders globally each year.

Not all are tourists, but the large numbers moving across frontiers underlined the need for worldwide action to stop the spread of diseases, they

said. Health specialists said that while travellers to the tropics should be protected from endemic diseases like malaria and viral hepatitis, the recent more rapid spread of AIDS worldwide had focused greater attention on the need to protect tourists and their hosts.

"There is a three times greater risk of being exposed to Human Immune-Deficiency Virus (HIV) infection on holiday when compared with normal life," said Simpson. The HIV causes AIDS.

Health specialists said that there has been a significant increase in the incidence of HIV infections in Asia since the first cases of AIDS were reported in the region in the mid-1980s.

They said that Thailand with some 400,000 to 500,000 people infected with the deadly virus that causes AIDS was a high risk area.

"It is impossible to stop the sex industry immediately, but we should warn the traveller

about protecting himself against HIV infection, instead of keeping it a secret," said Prasert Thongcharoen of Thailand's WHO collaborating centre on AIDS.

Health officials said that they had set up an Asia-Pacific Travel Health Association (APTSHA) to promote greater awareness on the need to protect travellers' health.

"We are not trying to develop travel medicine as a science, but to bring the medical and non-medical communities together," Chan Yow Cheong, a Professor of Microbiology at the National University of Singapore and APTSHA's first President, said.

According to the International Air Transport Association, Asia-Pacific's tourist traffic will grow by 8.6 per cent annually between 1991 and 1995, and by another 7.5 per cent between 1996 and the year 2000, compared to the world averages of 7.1 per cent and 5.5 per cent, respectively.

A VIEW FROM THE PRIVATE SECTOR-II

SAARC has no alternatives to economic co-operation if

Since the present structure of regional trade, will lead to polarisation, special care has to be taken, for the needs of least developed countries like Bangladesh, Nepal etc. in any framework of economic co-operation.

Traditional international trade theory pre-supposes that unrestricted trade will confer benefit on the participating countries, whether developed or developing, but actual developments in the world economy have not validated the expectation of traditional theory. It has been observed that "vertical division of labour" as opposed to "horizontal division of labour" has evolved between the developed and developing countries through international trade. It means that based on what is called static comparative advantage, the developing countries have become suppliers of raw materials or simple manufactures in exchange for investment capital, technology and manufactured products from the industrialised country.

In the present stage of differential level of development among SAARC countries, unrestricted regional trade may result in vertical division of labour and as such, future growth of industries based on dynamic comparative advantage may go by default. In any scheme of economic co-operation among SAARC countries, the said problems of regional trade have to be seriously taken care of for long-term equitable growth of the region without creating social and political tensions among member countries. The items of trade among Pakistan, India and Bangladesh, already show signs of vertical division of labour.

The above problems in no way imply that there is no scope for fostering business co-operation among SAARC countries. In our considered view, they rather point out the economic imperative of business co-operation among the SAARC countries in a planned way so that the more or less stagnating economies of the region can effectively join the mainstream of the global economy. It requires, on the one hand, planned integration of the economies of the SAARC member countries and on the other hand, integration with the growing global SAARC countries and also for equitable industrial development in all the countries, joint-venture approach of economy. The political leadership of the SAARC member

South Asia is to move ahead

By Latifur Rahman, President, Metropolitan Chamber of Commerce and Industry

countries have to keep in mind that economic integration among SAARC countries is a pre-requisite for the planned integration with the global economy.

The first requirement of fostering business co-operation among SAARC countries is strong political will of the member countries. The SAARC has provided a forum for creating necessary political environment for increasing economic co-operation. It is heartening that the forthcoming SAARC meet will take up the issues of economic co-operation. The conclusion of SAARC Preferential Trading Arrangement (SAAPTA) and South Asian Development Fund (SADF) will testify to the political will of the member countries. We feel notwithstanding bilateral problems, economic co-operation has to be fostered.

For promoting economic co-operation, we felt that collective efforts should be taken in the following manner:

- (a) At the government levels, Planning Commissions of the respective countries should form SAARC Cell to deliberate and concrete plans for SAARC economic co-operation. Heads of Planning Commissions can meet at least twice a year to deliberate on the question of economic co-operation.
- (b) Major Chambers of Commerce and Industries of the region have to be given vital roles.
- (c) Planning Commission and Chambers of Commerce, through the SAARC secretariat, may publish and circulate six monthly data on trade and investment.
- (d) As has been rightly stressed by the Bengal Chamber of Commerce and Industry (BCCI), regional product standards should be evolved for increasing trade. At present, standards of manufacturing products vary from country to country.

(b) The proposal of the BCCI for formation of commodity-wise consortia for exporting agro-based traditional product

like jute goods, tea, coffee, leather products, sugar and textiles deserve to be supported as this will increase the region's bargaining strength.

(c) For correcting present huge imbalance in trade among industrial development with the help of capital and technology from the more advanced countries like India and Pakistan would be necessary.

Co-operation of both the private sector and the public authorities would be necessary for balanced industrial develop-

To promote business co-operation among SAARC countries, we need a strong political will on the part of member nations. Despite our bilateral problems, economic links must be strengthened

ment in the region. For this, we feel, some sort of informal co-ordination of the planned development of each of the countries would be necessary. It would be quite a challenging task to find out the co-operation mechanism of planned development. But the challenge needs to be met if we are serious about meaningful economic co-operation among SAARC countries for creating an environment for sustainable growth.

(d) Important pre-requisite for economic co-operation is creation of necessary infrastructures. The transport and communication system, for example, has to be developed for easy flow of goods and services among SAARC countries. These have been geared in the colonial era to satisfy the needs of economic link with the West. These require re-orientation. It is unfortunate that it takes weeks to receive a letter from India, although in Bangladesh we receive a letter from the UK in about five days' time. Development of ports, co-ordinated development of the railways and highways system, integration of telecommunication system are the minimum pre-requisites for effective economic co-operation in