

### BRIEFS

#### GATT deal depends on Clinton

LONDON, Jan 25: A successful conclusion of the GATT world trade talks depends on the attitude of the new US administration of President Bill Clinton. European Commissioner Sir Leon Brittan said in an interview on Monday. Brittan, who heads the commission's foreign trade section, made the comment in an interview with the Financial Times newspaper. "Everything depends on the attitude of the US administration," Brittan told the daily, says an AFP report.

#### US may introduce consumption tax

WASHINGTON, Jan 25: The new US administration will have to introduce some kind of Federal consumption tax to help bring the budget deficit down, Treasury Secretary Lloyd Bentsen said Sunday. But Bentsen, who took office after Bill Clinton was inaugurated as President Wednesday, said he did not yet know when the tax would take effect or what form it would take. "A broad based energy tax is certainly one of those that is on the table as an option to be considered," reports AFP.

#### German workers reject Kohl's call

BONN, Jan 25: German trade unions and several regional government leaders this weekend rejected calls by Chancellor Helmut Kohl for an austerity policy to help eastern Germany out of its present crisis. To cut back on social spending would be "like throwing dynamite onto the ambers," said Heinz-Harmer Mayer, head of the powerful DGB trade union federation, writes AFP.

#### Broad support against overfishing

ST JOHNS, Canada, Jan 25: Canada's diplomatic initiative against overfishing on the high seas is gaining broad support among UN member states, Fisheries and Oceans Minister John Crosbie said Sunday. We are no longer alone, Crosbie said after a meeting on the issue with delegates from 57 countries. We are on the right road and we have lots of good company. I think there's a good chance we can have success in the next year. The meeting was called to prepare for two UN-sponsored conferences in New York, says AFP.

#### Foreign computer to get chance in Japan

TOKYO, Jan 25: Foreign computer makers locked out of the Japanese government's computer procurement programme may stand a better chance after officials revise purchase standards, a financial daily said on Sunday. The government will replace its current price-only standard with a more detailed list of assessment factors in order to select a bids from computer manufacturers, said the Nihon Keizai Shimbun, reports Reuters.

#### Hundreds support strike in Cathay

HONG KONG, Jan 25: Dozens of community groups joined striking flight attendants from Cathay Pacific Airways Ltd Monday in a demonstration to support the right of all workers to strike. Police said about 500 members of Cathay's Flight Attendants Union were joined by 500 members of 44 labour, political, religious and student groups at an afternoon rally in a downtown stadium, reports AP.

#### Dollar falls in Tokyo

TOKYO, Jan 25: The dollar ended the morning session in Tokyo at 124.87 yen, down 0.28 yen from the previous trading days' finish of 125.15 yen. The rate was below New York's late Friday quote of 125.08 yen. Most market participants were watching the Bank of Japan to see if it would lower its official discount rate, dealers said, reports AFP.

#### Stock markets in Asia close mixed

HONG KONG, Jan 25: Asian stock markets closed mixed Monday, with share prices slipping in Tokyo on sporadic selling by foreign and institutional investors. Stock exchanges remained closed in Hong Kong, Taiwan, Malaysia and Singapore because of the Chinese New Year holidays. In Tokyo, the 225-share Nikkei Stock Average closed at 16,287.45 points, down 49.36 points, or 0.30 per cent. It had shed 201.87 points, or 1.2 per cent, on Friday, reports AP.

# Tale of a land where prices jump overnight

BELGRADE, Jan 25: Small coins lie in the gutter of a Belgrade street, too worthless to be picked up. Just up the road, the cardboard box in front of a hunched old beggar woman fills up with 100 and 500 dinar notes, the small change of a currency under siege, according to Reuters.

Across the square, people line up outside a private bank not to withdraw money but to invest what savings they have and earn something from attractively high interest rates while prices spiral ever upwards.

The residual state of Yugoslavia is the grip of hyperinflation, its rise of 19,810 per cent in the 12 months to December highest rate in the world.

"Every day in Yugoslavia, new prices," a hotel waiter says, explaining an overnight jump of 67 per cent in food and drink prices. In a clothes shop, an assistant writes out new prices for the goods on display for the second time that day.

The minimum cost of a Belgrade taxi fare has gone from 800 to 3,000 dinar inside a month.

Most workers salaries are reviewed monthly, but inflation is so out of control that is often not enough to stop purchasing power being severely eroded. The average monthly wage is down from the equivalent of 250 US dollar in 1989 to around 35 US dollar.

As the semi socialist economy struggles to cope with international sanctions, imposed because of Belgrade's support for Serbs at war in neighbouring Bosnia, the government prints more and more money to throw at the problem.

"They think high inflation is preferable to social unrest," a western diplomat said.

Officially the dinar is worth 470 to the German mark, a rate that has not been revised since November. But it is largely ignored and newspapers daily print the latest black market rates, including variations from city to city.

The rate is going up at

around 100 dinar a day, from 2,200 dinar in mid-January to 3,400 to the mark 10 days later.

But the government's pump-priming is not totally effective.

Belgrade garbage worker went on strike on Friday, rejecting a 100,000 dinar (17 US dollar at current rates) one off differential payment and demanding retroactive pay increases of 50 per cent for November and 100 per cent in December. City transport workers have also threatened to go on strike.

A new 10,000 dinar note was introduced in mid-December as people were forced to carry larger and larger wads of money to pay the most ordinary of bills. But only a month passed before an even bigger bill had to be brought in and a 50,000 note came into circulation last Wednesday.

To try and keep some control on the denominations, the government has lopped no

fewer than six zeroes off the dinar in the past year.

Authorities largely turn a blind eye to the black market. In Belgrade's central pedestrian precinct, hardy eyed young men flutter wads of notes and ask passers-by "currency, currency?"

The half dozen private banks that have opened in the past two years are pumping much needed hard currency into the market.

They offer monthly interest rates of 16 to 18 per cent on hard currency, mostly German marks or US dollar, and up to 150 per cent for dinar placed on deposit for six months.

People queuing to deposit money, often savings hidden at home by people with little previous trust of banks, say they cannot earn anything like as much as they get in interest.

The mark has become the safe currency of choice, with many shops marking items directly in mark.

### New York Post gets 11th-hour reprieve

NEW YORK, Jan 25: The New York Post, one of the nation's oldest newspapers, said on Sunday it had received an 11th-hour reprieve and will continue publishing, at least for the next four weeks, says a Reuters report.

Post publisher Peter Kalikow told employees, some of whom were already preparing a requiem for the 192-year-old newspaper: "The New York Post is not dead. In fact, it is very much alive."

Earlier, the head of group representing the struggling tabloid's unions said the newspaper would suspend publication beginning Monday, because Post creditor Bankers Trust had shut off the financial tap.

A news conference called to announce the latest developments in the Post Saga was delayed, however, as bankers trust entered into discussions with potential investor Steven Hoffenberg, Chairman of the Manhattan-based Towers Financial Investment House.

"Within that period we hope to execute a contracted sale to Hoffenberg and towers," Kalikow said.



NEW YORK: New York Post owner-publisher Peter Kalikow rules his face after announcing an eleventh-hour deal to save the tabloid January 24. Steven Hoffenberg of Tower Financial Inc emerged as possible buyer for the paper after New York Governor Mario Cuomo learned of his interest. — AFP/UNB photo

## Yeltsin invited, Suharto declined to meeting of G7 leaders

TOKYO, Jan 25: Russian President Boris Yeltsin will be invited to attend a post-Tokyo summit meeting of leaders of the world's seven richest countries in July, Japanese newspapers said on Sunday, reports Reuters.

But Indonesian President Suharto, who had requested he be allowed to attend, will not receive an invitation, according to government officials preparing for the July 7-9 event.

The Group of Seven comprises Britain, Canada, France, Germany, Italy, Japan and the United States.

The daily Tokyo Shimbun, quoting government sources,

said Yeltsin would be invited to a post-G7 meeting to discuss international aid for Russia's economic reforms. The president attended a similar meeting after the 1992 Munich summit.

Suharto, who currently heads the 108-nation Non-Aligned Movement, would be invited to send a letter to be read out at the Tokyo summit, said another, daily, the Sankai Shimbun.

Suharto, who is calling for more dialogue between rich and poor nations, told Japanese Prime Minister Kiichi Miyazawa in Jakarta this month that he hoped to attend a post-G7 session.

Japanese officials have said, however, that other G-7 member states might not be receptive to the idea of expanding the summit agenda beyond Russian aid.

In a separate report, NIK television said on Saturday night that Yeltsin might not pay a separate visit to Japan before the G-7 summit despite Japanese diplomatic efforts to lure him over.

It quoted Russian officials in Moscow as saying the President's long-awaited official visit to Japan should not be linked to the summit. Nothing had been decided on rescheduling the trip abruptly cancelled in September.

### Norway's export may soar in '93

Although 1992 was a turbulent and bearish year for Norwegian exports — especially for sales of raw materials and semi-manufactured goods — trade is expected to improve this year, says Norinform.

"These should help turn the international economic tide," says Kjell-Martin Fredriksen, managing director at the Norwegian Trade Council. He also points out that the recent lean years have primed essential areas of Norwegian industry to make goal-oriented efforts at trimming costs and increasing production.

Total Norwegian exports were valued at 307 billion NOK (45.5 billion US dollar) in 1992, a drop of 0.4 per cent from 1991.

### Collapsing oil prices

## Kuwait refuses to cut output

KUWAIT CITY, Jan 25: Kuwait, citing Gulf War losses, refused Sunday to cut oil output despite Iranian and Saudi calls for OPEC reductions, reports AFP.

Kuwaiti Oil Minister Ali Baghi announced his country's stand as OPEC Chairman Alirio Parra arrived here saying Saudi Arabia, Iran and Venezuela had reached a "broad consensus" on oil matters.

Although Parra, Venezuela's Oil Minister, would not even say if the consensus involved cuts, Saudi Arabia on Saturday revealed proposals for a cut.

The Saudi Oil Minister Iltisam Nazer proposed during

a meeting in Paris with Parra that OPEC members cut oil output by an average of one million barrels a day (MBD) from the 24.582 MBD agreed on in November in Vienna.

Prices would increase by 20 per cent if OPEC reduced output by 10 per cent, he said.

Baghi also said Sunday that Kuwait's production, including that in the neutral zone with Saudi Arabia, now stands at 1.778 MBD, up from 1.657 announced last week.

Its OPEC quota, was set in November at 1.500 MBD in the first quarter, but it was not expected to stay within the quota.

"OPEC quota was set in November at 1.500 MBD in the first quarter, but it was not expected to stay within the quota."

"OPEC has shown understanding for our special situation before and we hope this understanding will continue," Baghi said.

### Iran calls for output cut

Xinhua from Cairo adds: Iranian President Hashemi Rafsanjani Sunday called on OPEC members to cut their production to boost the sagging prices, according to Tehran radio.



The crew of blazing Danish supertanker Maersk Navigator arrived in Colombo, Saturday. They were plucked from a lifeboat by the German container ship DRS, Atlantic, which let them off here. — Star TV photo

## Australia seeks free trade deal with Japan

SYDNEY, Jan 25: Prime Minister Paul Keating says he backs the idea of a free trade deal between Australia and Japan and believes the two countries could form a core partnership in efforts to liberalise trade in the Asia-Pacific region, reports Reuters.

Keating said in a newspaper interview published on Monday that the first priority for Australia and Japan was to make trade more free among all countries in the region.

However, he said Japan was a natural partner for Australia

and a bilateral free trade deal would be worth considering.

"Trade liberalisation is a good thing even if it moves in steps," the Australian Financial Review quoted him as saying.

"We could be a catalyst for market-opening in the region," Keating added.

The Director General of Economic Affairs in Japan's Foreign Ministry, Kazuo Ogura, suggested recently that Australia was Japan's only natural trade partner and raised the prospect of a free trade agreement between the two

countries. Japan is Australia's biggest trading partner and Japanese industry is a major customer for Australian raw materials such as coal, iron ore and liquefied natural gas.

"It (a free trade pact) may be a latent view in Japan, I don't know," Keating said. "And it would probably be a matter of advantage for Australia to have enhanced access to Japan."

"We brought our tariff barriers down so much, the onus is on the others, not us," he said.

### Burning ship towed away to prevent polluting Nicobar

SINGAPORE, Jan 25: The burning Danish supertanker Maersk Navigator was being towed Monday to prevent leaking oil from polluting an Indian island, reports AP.

A 30 mile (48 kilometers) slick had drifted to 10 to 15 miles (16 to 24 kilometers) off the southern coast of Great Nicobar Island, said a statement from the AP Moller Co, which owns and operates the 260,000-ton vessel.

Light crude from the ship had oozed over a wide area and was dissipating more slowly because of lighter winds, the statement said.

### Who sold the baby

TUSTIN, Calif, Jan 25: Police were searching Monday for a man who drove into a shopping centre parking lot, offered a newborn baby for drugs or money, then sold the child for 10 dollar, reports AP.

The baby boy was in good health at a children's home after being hospitalized briefly for observation, police said.

He was just two to three hours old Saturday night when he was sold to Robert Garcia by a driver who offered the child in exchange for drugs or money, Sgt. Mike Pettifer said.

Investigators did not know whether the baby had been kidnapped or if the man who sold him was his father.

## Africans closer to forming export-import bank

ABIDJAN, Jan 25: African ambitions to create an export-import bank to boost trade may come closer to reality in Cairo this week despite criticism by western countries, reports Reuters.

The scheme's main sponsor, the African Development Bank (ADB), says it will galvanize exporters who are hamstrung by Africa's weak commercial banking network and the high cost of financing trade through banks outside the continent.

The ADB will submit detailed proposals for an African export-import bank (Afreximbank) to the first meeting of potential shareholders in Cairo on January 28-29.

African central and commercial banks, insurance companies and regional bodies will

look at plans to launch Afrximbank with start-up capital of at least 500 million dollar.

A proposed three-category share structure would prevent African governments having a controlling interest.

There is a will among African countries to make this work, said the ADB's JW Otieno, who has worked closely on a project that began in earnest in 1987.

"I can foresee the bank starting operations before the end of this year," the Kenyan said in an interview at ADB's Abidjan headquarters.

One key goal is to encourage non-traditional exports, outside the traditional circuits for supplying European and other industrial nations with commodities and raw materials.

A second objective is to boost intra-African trade which, at least according to official registers, accounts for no more than five per cent of the continent's total trading volume. Smuggling means the true figure is higher.

A lot of African countries are importing goods from outside Africa that they could buy more cheaply from their neighbours, Otieno said.

But the Cairo meeting is being pointedly ignored by major western countries, reflecting the scepticism of non-African members of the ADB.

These non-regionals who are in frequent conflict with the ADB's African members over a wide range of issues such as loan portfolios to executive salaries, fear the ADB is overstretched and losing sight of its vocation.

## US defence budget cut may create many new jobs

WASHINGTON, Jan 25: A study requested by a military spending critic says transferring money from the defence budget to some state and local programmes could produce thousands of jobs, writes AP.

The Congressional Research Service report, set for formal release Monday, says two new jobs could be created for every one eliminated if the money were moved to six specific domestic spending categories.

The value of the study, ordered by Congressman John Conyers Jr. immediately was

questioned by a defense industry already reeling from layoffs.

"The idea that you can convert an aircraft factory to a storm door factory — that dog don't hunt," said Robert O'Brien.

"It takes a lot more people to build airplanes. Modern airplanes virtually are hand-built."

The study assumed that three billion dollar in defence money was transferred to programmes such as education, road projects and sewer con-

struction. Congressional researchers said 23,600 jobs could be created under such a scheme, and 11,500 lost.

"If the magnitude of the reallocation were increased by tenfold then the job creation estimate would increase by tenfold," the study said.

Conyers, chairman of the House Government Operations Committee, is using the report to fire an early salvo in this year's version of the annual defence spending debate.

## Millions afflicted by poverty in Asia-Pacific region

BANGKOK: Economic growth is said to be necessary but not a sufficient condition for the elimination of poverty which currently afflicts some 830 million people in the Asian and Pacific region.

High rates of economic growth in some of the developing countries of the ESCAP region have apparently alleviated poverty in those countries to a large extent. Nevertheless, high percentages and large absolute numbers of people in some of these countries still live in conditions of absolute poverty, according to recent studies by the Economic and Social Commission for Asia and the Pacific (ESCAP).

The studies point out that high economic growth rates, even if they are sustained for long periods of time, do not guarantee that poverty will be automatically eradicated by the process of economic growth.

Thailand has succeeded in reducing the percentage of the poor from about 30 per cent of its total population in the mid-1980s to 23 per cent (or 13 million people) remained poor in 1990.

China, for instance, has one of the lowest percentage of the population living under the poverty threshold. Nevertheless, given China's huge population, 87 million people were living below the official poverty line in 1991, of which 27 million remained absolutely poor.

China's achievement in reducing the percentage of the poor in the total population is, however, widely attributed not to economic growth per se, but also to a wide variety of miti-

gating measures to improve the living conditions of the people.

Sri Lanka and Vietnam are two other countries which achieved higher health, education and other welfare standards with relatively low rates of economic growth and development.

These examples along with those of the fast growing countries in South East Asia suggest that while rapid growth is desirable, growth cannot be fully relied upon to remove poverty within an acceptable time frame.

The studies suggest that growth, therefore, has to be more balanced and adjusted towards the specific goal of mitigating poverty and minimizing the consequent human misery even if it involves a slow down of the pace as a trade-off.

Deliberate actions to redistribute assets, particularly land and increase access for the poor to productive inputs and services, such as bank credits, can provide them short-term relief and long-term economic viability.

On the other hand, welfare standards achieved through deliberate actions and policies cannot be sustained without sufficient growth in the economy generating the necessary pressure for change.

A large number of the economies in the ESCAP region have not succeeded in sustaining that critical minimum, while a number of others have sustained rates of growth that have facilitated further changes for growth to continue and living conditions to improve.

Countries which achieved low rates of growth continue to possess archaic economic structure dominated by low productivity in agriculture and services with very little progress in modern industrial development, and poor infrastructure bases, poor education, health and other standards of well-being. Widespread prevalence of poverty is the consequence.

The studies also note that poverty is a relative concept, closely linked to the issue of distributional equity of the products of the economic system among the constituent population. Too much concentration of the product of society's collective enterprise in too few hands is morally outrageous and holds destabilizing potential.

Estimates for recent years indicate that the distribution pattern in the Asian and Pacific region remains highly skewed.

The article was prepared by an United Nations Information Service.

### Pak growth rate expected to be 5.5 pc

ISLAMABAD, Jan 25: Pakistan expects economic growth of 5.5 per cent in the current financial year that ends June 30, Finance Minister Sartaj Aziz said Sunday, reports AFP.

In a statement, he said growth would be less than the 6.4 per cent in fiscal 1991-92 due to catastrophic floods in many parts of Pakistan in September, although the economy now is "back on track".

Without giving figures, he predicted a "bumper" wheat harvest that would "partly" offset damage to cotton crops.

Exports were up 12 per cent and imports rose two per cent in the first half, helping to ease Pakistan's trade deficit, he said.