

BRIEFS

Russia sees rise in investment

LONDON, Feb 13: The Russian economy is expected to benefit from increased investment in 1993 but oil production will continue to fall and bite into export levels, senior Russian government officials said.

US defence cut won't exceed \$10.8b

WASHINGTON, Feb 13: Defence Secretary Les Aspin said the 1994 US military budget cut will be less than the 10.8 billion speculated in published reports because the pentagon will increase spending in certain areas to improve key capabilities in the post-cold war world.

Turkey's budget gap 43.6 trillion lira

ANKARA, Feb 13: Finance Minister Sumer Oral said that Turkey's budget deficit was 43.6 trillion lira in 1992, compared with a target of 32 trillion lira.

Protest against rise in 'dog tax'

ST GALLEN (Switzerland), Feb 13: In a striking demonstration of Swiss direct democracy, voters in this east Swiss town will go to the polls on March 7 to decide whether to approve an increase in the local dog tax.

Canada warns ROK of retaliation

SEOUL, Feb 13: South Korea and Canada are risking a trade war over a dispute on fishing rights in the sea off Newfoundland.

Grant for keeping HQs in NY

NEW YORK, Feb 13: The director of the United Nations Children's Fund on Thursday recommended that the agency's headquarters remain in New York City.

French PM won't resign

PARIS, Feb 13: Prime Minister Pierre Berégovoy yesterday denied he had offered to resign over an interest-free loan he accepted from a businessman.

OPEC plan to bolster crude prices runs into complications

VIENNA, Feb 13: OPEC's carefully orchestrated scheme to chop oil production and bolster weak crude prices was running into unexpected complications before strategy talks start today, reports Reuter.

Kuwait, its economic clout growing as it nurses its Gulf War-ravaged oilfields back to life, suddenly skewed OPEC's output arithmetic by staking out a tough bargaining position on the eve of the policy session.

Kuwaiti Oil Minister Ali Ahmed al-Baghi told reporters the emirate would consider joining the groups output cuts

but only based on the beefed-up level he said Kuwait would reach by the end of March.

Kuwait has been exempt while it recovers from the Gulf War from the system of production quotas used by the Organisation of Petroleum Exporting Countries, which supplies just under one third of the world's oil needs.

Kuwait's attitude may have been only an opening gambit, but it could complicate efforts to get the group's actual production in the second quarter of 1993 well below the estimated 25 million BPD members were pumping last month.

The goal is to get actual, physical output down to 23.6 million or less," OPEC President Alirio Parra, the Venezuelan Oil Minister, insisted.

Kuwait's stance reminded some delegates of the emirate's habitual insistence before the Gulf War for a production quota higher than other members were prepared to grant it.

Iraq cited Kuwaiti overproduction as one reason why it invaded the emirate in 1990, touching off the Gulf War.

One senior Arab delegate said he doubted whether

Kuwait's statement that it was now pumping two million BPD and could boost that by the end of next month would be taken seriously.

But if the emirate insisted on the figures, he added, it would make it impossible to clinch a credible agreement that would prevent prices from sliding.

AP reports from Nicosia: The Organisation of Petroleum Exporting Countries will have to cut production 6,78,000 barrels per day more than planned in order to meet a proposed ceiling aimed at raising prices, a respected

newsletter reported Saturday.

An AFP reports from Abu Dhabi says: The United Arab Emirates (UAE) on Friday urged OPEC to agree on production cuts to raise sagging oil prices and warned failure to reach a deal could push more members to quit the cartel.

On the eve of an OPEC meeting in Vienna, the official news agency WAM said the UAE was prepared to back any agreement to reduce output provided it covered all members of the Organisation of Petroleum Exporting Countries.

Arab states lose \$65b in overseas investments as dollar falls

ABU DHABI, Feb 13: Arab states lost around 65 billion dollar in their overseas investments in the first eight months of 1992 due to a sharp decline in the US dollar, their economic group said, reports AFP.

The Cairo-based Arab Economic Unity Council (AEUC), which comprises the economy ministers of the 21-member Arab League, estimated their assets abroad at between 750 billion and 800 billion dollar.

It said governments owned 47 per cent of the funds with the rest held by the private sector. About 533 billion dollar belong to Gulf states and other Arab members, of the Organisation of Petroleum Exporting Countries.

The decline in overseas Arab investment during the first eight months of last year is estimated at 65 billion due to the drop in the dollar, the council said in a report cited by the official Qatari news agency.

It is the first official Arab acknowledgement of losses due to a record decline in the dollar in 1992.

The Greenback's drop has prompted calls for diversifica-

tion of investments, mostly in dollar, and the de-linking of Gulf currencies from the dol-

lar. The bulk of the Arab assets abroad belong to the Gulf

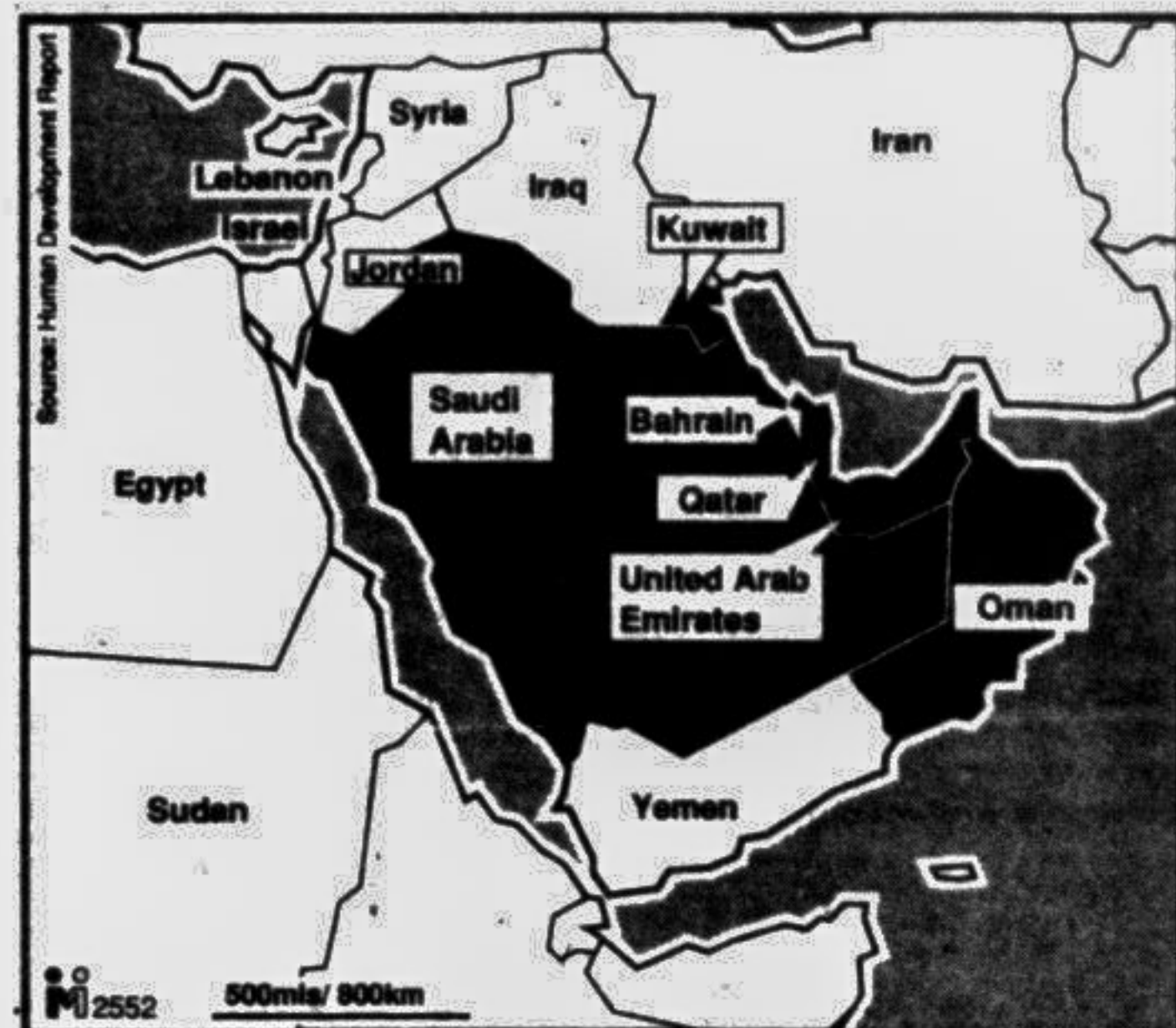


Table with 6 columns: Country, Area (sq km), Pop (1990), GNP per head (1990), GNP (1990), and another GNP (1990) column.

Cooperation Council (GCC) states of Saudi Arabia, Bahrain, Oman, Qatar, Kuwait and the United Arab Emirates (UAE). The funds, accumulated during the oil boom 15 years ago, are concentrated in western bank deposits, real estate and stocks.

According to Gulf bankers, GCC assets in Switzerland alone are estimated at 125 billion dollar while the rest are mostly based in France, the United States, Britain, Germany, Italy and Spain.

The 1992 losses far exceed the estimated loss of 25 billion dollar, the GCC suffered during the world stock market crash in 1987.

Such crises have triggered calls to repatriate the funds but investors argue they are still making profits and the Arab market remains too small and unstable.

"We will be the first to invest in Arab countries when they improve their laws and create a proper investment climate," said Abdullah Al-Muhairbi, Chairman of the Abu Dhabi Chamber of Commerce and Industry.

EC seeks member states backing to attend G7 meet

BRUSSELS, Feb 13: The European Community's executive commission said Friday it would ask EC member states for their backing to attend the Group of Seven finance ministers' meeting in London later this month, reports AP.

At a meeting of EC finance ministers in Brussels Monday, economics commissioner Henning Christophersen is expected to argue that the commission's growing role in coordinating the trade bloc's economic policies and growth make its presence at G-7 meetings desirable.

While commission President Jacques Delors has traditionally joined heads of governments for G-7 summits, the commission has not attended gatherings of finance ministers.

Japan urged to help quicken GATT deal

WASHINGTON, Feb 13: European Commission Vice President Sir Leon Brittan urged Japan on Thursday to join the European Community (EC) and the United States in their efforts to quickly conclude a GATT trade pact, reports AFP.

The EC and the United States, as the world's two largest economic powers, must give a lead in the multinational trade talks under way in the Uruguay Round to assure their success, said Brittan, who is responsible for the commission's external economic affairs.

"We cannot do it alone," he said. "I am calling on Japan to join us both in showing leadership."

On Thursday Britain and US trade representative Mickey Kantor, speaking at a news conference after two-hour meeting in Washington, had also appealed for all parties in the General Agreement on Trade and Tariffs (GATT) talks, especially Japan, to play a more active role.

Indian rupee stabilises

BOMBAY, Feb 13: The Indian rupee steadied after falling to record lows against the US dollar over the past week on expectations of a possible full float of the currency in the February 27 budget, dealers said, reports Reuter.

Foreign exchange dealers said an Economic Times report that the Reserve Bank of India (RBI) had imposed an informal curb on currency purchases by importers helped steady the rupee.

In the interbank market it traded between 2.99 dollar and 3.0150 dollar per 100 rupee against Friday's record low of 2.9850 dollar.

"The panic has gone out of the market," said Jamal Mecklal of Mecklal Financial Services in Bombay.

Iraq wants to talk UN for ending trade embargo

BAHGDAD, Feb 13: Iraq wants to negotiate with the UN Security Council to end the 30-month oil trade embargo and has appealed for a fair hearing from the world body, an official newspaper said Friday, reports AFP.

It said Deputy Prime Minister Tariq Aziz told a Russian envoy that Baghdad wanted "to open a constructive dialogue with the Security Council with a view to reaching an understanding based on the UN charter."

Iraq's aim is to "lift all the forms of embargo," imposed on Baghdad after its August 1990 invasion of Kuwait, Aziz told Igor Melekhov, Deputy Director of the Russian Foreign Ministry's Middle East de-

partment. He called for the Security Council to "deal with Iraq in a fair and objective manner and to reply positively to its initiatives, the ruling party Daily Ath-Thawra reported.

In November, Aziz appeared before the Security Council in New York but failed to secure even a partial lifting of the embargo. The council argues that Iraq has not implemented all the Gulf War ceasefire resolutions.

Melekhov, the first senior Russian official to visit since the war ended in February 1991, said Thursday that Baghdad must implement all the resolutions before Moscow can develop ties with Iraq.

'Japan most important US trade partner'

WASHINGTON, Feb 13: The new Clinton administration on Friday sought to assure Tokyo that it is committed to open trade, Japan is the most important US partner and their long-standing security alliance is firm, reports Reuter.

This message was communicated to Japanese Foreign Minister Michio Watanabe in a meeting with Defence Secretary Les Aspin and a working lunch with Secretary of State Warren Christopher, National Security Adviser Anthony Lake and US trade representative Mickey Kantor.

Watanabe is on a four-day visit to Washington to build ties with a new administration, Tokyo fears may be gearing for a trade war because of President Bill Clinton's talk of a tougher approach during the election campaign.

The two sides acknowledged trade tensions but insist the US-Japan relationship otherwise remains strong.

Posing for photographers with Watanabe at the State Department, Christopher said Japan "remains the most important partner of the United States (and) I will reassure him that the United States is committed to an open trading system."

He also said he would also reassure Watanabe of a US desire to "consult with the Japanese at every level on bilateral matters, regional matters and on global matters."

"The United States will have a strong security relationship with Japan, a strong security responsibility in the Pacific," he told reporters.

In the talks, which follow on a 35-minute meeting Thursday between Watanabe and President Clinton, Christopher said the two ministers would "be discussing issues that are outstanding between US trade issues, global responsibility, the desire we both have to improve our economies."



Eddie George, Governor Designate, Bank of England, speaking in a press conference in Frankfurt on Exchange Rate Mechanism recently. — Star TV photo

Clinton spending most of his time to make economic package final

WASHINGTON, Feb 13: President Clinton on Friday focused on packaging and promoting his economic plan, pitching it in meetings with lawmakers, holding long sessions with advisers and planning another radio address about it, reports AP.

Clinton was to remain in the White House over the three-day holiday weekend, spending most of his time working on the plan he will unveil on Wednesday.

Then, Clinton, Vice President Al Gore and much of the Cabinet will barnstorm the country after the speech to promote it, said White House communications director George Stephanopoulos.

"The president will have a full-court press to make sure the American people understand his economic plan and understand what it's going to do for the country," Stephanopoulos said.

"I expect that the president will be travelling to talk to the American people about his programme."

Tentatively planned: a two-day Clinton trip at the end of next week, most likely to the Midwest.

A bus trip — one of Clinton's signature ways of travelling — for later on is also possible, White House aides said. But Stephanopoulos on Friday said another Clinton-Gore bus tour was "very unlikely" at this time.

Meanwhile, many Cabinet members were being dispatched to their home states the day after Clinton's speech

to help sell the package. And, Stephanopoulos said Clinton is considering a pro-

posal by House Majority Leader Richard Gephardt that the president return to Capitol Hill

the morning after the speech to answer lawmakers' questions about the plan.



HIV TESTER WINS AWARD: Cheap, fast and simple diagnosis of HIV and a wide range of conditions such as acute chest pain and coma could soon be possible following the development of a new dip-stick type of blood and urine test device. The device is the result of several years work by biochemists and engineers at the Wolfson Applied Technology Laboratory, University of Birmingham. — LPS photo

Netherlands sharing expertise to combat threats of rising seas

ZEELAND (Netherlands), Feb 13: Forty years ago the North Sea smashed through dykes in the southwest Netherlands, drowning 1,835 people and forcing 72,000 to flee their homes, writes Reuter.

Stunned by the disaster and determined that it should never happen again, the Dutch embarked on the world's biggest coastal defence programme to protect the flood-prone delta region where the rivers Rhine, Scheldt and Maas flow into the sea.

Today they are sharing their unequalled expertise with other countries to prevent global warming from causing catastrophic flooding in low-lying coastal areas.

Scientists expect global warming, caused by emissions of "greenhouse gases" such as carbon dioxide, to raise temperatures by up to five degrees centigrade (41 F) in the next

100 years. Thermal expansion of the oceans and the melting of mountain glaciers and polar ice are expected to raise sea levels by as much as 29 cm (11 inches) in 2030 and 71 cm (28 inches) in 2070.

This in turn will lead to increased coastal erosion and flooding and make river estuaries more saline.

Experts from 100 coastal states will discuss how to tackle these problems at a conference which the Netherlands, with 1,000 years of dyke-building experience, will host in November.

The aim is to help countries assess the threat they face from rising seas and develop action plans for vulnerable coastal areas which they can start implementing by 2000.

Others will have to build dykes to protect their towns and cities, farmland and factories.

More than half the world's population lives within 60 km (40 miles) of the coast and faces a potential risk from rising seas.

Countries most at threat include Bangladesh, Egypt, Indonesia, Mozambique, Pakistan, Senegal and Thailand.

Major port cities such as Buenos Aires, Hamburg, Jakarta, Lagos, New Orleans, Rio de Janeiro, Shanghai and Tokyo will need to build costly flood defences to protect their populations.

As part of its overseas aid programme, the Netherlands has contributed to studies and pilot projects to prevent flooding in Bangladesh, Egypt and

Indonesia. Without its dykes, half of the Netherlands' land area and two thirds of its 15 million people would be submerged at high tide. That fact was hammered home by the tragic flood of February 1, 1953 when hurricane-force winds and an unusually high spring tide combined to overwhelm the dykes in the delta region.

Johan and Sara Los, now both in their 70s, lost their four-year-old daughter Whillie who was swept away before their eyes when the flood waters caused their farmhouse to collapse.

The rest of the family huddled together in the remains of the attic before they were finally rescued by helicopter.

All kinds of things were drifting past, dead horses, bales of straw, beams, thatched roofs, trees. And there was nothing but water as far as you

could see," said Johan. He found Whillie's body, nine weeks later when the water had subsided and he was searching for farm tools in the mud.

"I saw her lying in a ditch and I recognised her clothes at once. She was no more than 200 metres (yards) from the house."

The Dutch responded swiftly to the disaster, mounting a huge relief operation, repairing the dykes and draining the land.

Work began on a grand plan to prevent such devastating flooding by closing off the many tidal channels in the delta region with a series of giant dams.

The so-called delta project took 30 years to complete and cost 12 billion guilder (6.7 billion dollar). Pieter Huisman, head of flood control at the Dutch

transport ministry, was a boy of 12 when his home was flooded in 1953.

"I know the terrible upheaval that flooding causes. We had to leave our house for eight weeks," he recalled.

Huisman said the Netherlands spends some 600 million guilder (330 million dollar) a year to prevent flooding.

In some places the water is kept at bay by spectacular dams and storm-surge barriers of which the Dutch are justly proud.

But three quarters of the coast is protected by a thin line of dunes which have to be replenished every few years by scooping up sand off the coast and dumping it on the beaches.

"It's rather like replacing the soles of your shoes from time to time," Huisman said. Meanwhile, a more high-

tech approach has been used for the construction of a new storm surge barrier at the entrance to the new waterway which links Rotterdam to the North Sea.

Sophisticated new modelling techniques revealed in the 1980s that Rotterdam and surrounding industrial areas were more vulnerable to flooding than previously thought.

The barrier, due to be completed in 1997, will consist of two giant semi-circular gates, each containing twice as much steel as the Eiffel Tower.

Ships will pass unhindered most of the time, but the gates will close when there is a risk of extreme storm surges.

Engineers say the gates will probably have to close once every 10 years, but in 50 years time the frequency will increase to once every five years because of the rising sea level.