

**BRIEFS**

**Record profit fall for Japan's firms**  
 TOKYO, May 18: Marking three consecutive years of sliding returns, Japanese companies are expected to announce from Tuesday the sharpest profit falls in 20 years but analysts expect a better fiscal 1993. However, while the governments' fiscal stimulus programme for Japan is expected to revive the recession economy, the sharp surge in the yen is likely to prolong the downturn for exporters, particularly automobile and electronic firms, reports AFP.

**Dumping charge against Pakistan**  
 TOKYO, May 18: Japan's textile spinning industry is considering filing dumping charges against Pakistani cotton exporters, and International Trade and Industry Ministry officials said Tuesday. "We know that the spinning industry is interested in filing dumping charges," said Sadao Yanase, Deputy Director for International Trade at the Ministry's consumer goods industry bureau. If the charges are filed, "we will apply duties in a transparent and fair manner according to international rules," he said, reports AFP.

**US-Japan 'apple war' intensifies**  
 TOKYO, May 18: Japan will not reply to a US letter complaining that Tokyo unfairly bans imports of American apples, Agriculture Minister Masami Tanabu said on Tuesday. Japan, which officially opened its apples market to imports 22 years ago, bans US apples because it says it needs more proof they do not carry pests or viruses. The US accuses Japan of using technical issues to delay imports. The apple war intensified in April when US Agriculture Secretary Milt Espy and trade representative Mickey Kantor sent a letter of complaint to Tanabu on the issues, reports Reuters.

**NY bourse ends mixed**  
 NEW YORK, May 18: The stock market ended mixed Monday, hurt by uncertainty over the administration's economic reforms and its policy toward Bosnia. In a weekend vote, Bosnian Serbs apparently rejected a United Nations peace plan. Washington and its European allies had postponed any decision on military action in Bosnia until after the referendum. In addition, as battles over the budget heat up in Congress and as inflation fears persist, investors are increasingly nervous, reports AP.

**Growth forecast indicates EC likely to trail behind US, Japan**  
 PARIS, May 18: The European Community, handicapped by relatively weak industry and social problems threatening to get out of control, is set to trail behind the US and Japan, a study by six leading European institutes said today, reports AFP.

The European Community (EC) will trail behind the growth rates of the United States and Japan by 1997 because European companies are not strong enough alone to launch industrial policies, the report by the European Economic Research and Advisory Consortium (ERECO) said.

And Europe risked turning into the weak point of the three economic power blocs if it did not find a way of organising itself better in competition with other two, since it faced many and serious risks that current economic and social problems could get out of control.

The 12 countries of the European Community (EC) would achieve average annual growth of gross domestic product (GDP) of two per cent between 1991 and 1997 compared with 2.4 per cent in the United States and 3.2 per cent in Japan.

**Asian countries accuse US of demanding too much over patent, copyright issues**

BOMBAY, May 18: Many Asian countries are accusing the United States of demanding too much from them over patents, trademark and copyright legislation to protect the interests of US firms, reports Reuters.

Arm-twisting by the United States is forcing Asian countries to adopt tougher laws to protect patents and copyright, but many bridle at being dictated to by Washington and argue that standards should be negotiated multilaterally.

Although Asian countries are tightening legislation against copyright piracy, fake watches, pirated computer software and videos, and copycat fashions still festoon the region's crowded markets.

US businesses estimate they lose two billion dollar a year in trade because of piracy and copyright violations across Asia, with many government softening half-hearted about enforcing the rules — even if they are on the statute books.

In the latest move against rampant patents violations in

Asia, the United States at the end of April threatened punitive action against India and Thailand, and has put most other countries in the region in the dock under its unilateral trade law.

The pressure from the United States and other industrialised nations has encouraged countries such as Thailand, Indonesia and Taiwan to tighten patents, trademark and copyright legislation over the past five years, while China has signed a memorandum of understanding with Washington.

But many governments still appear to turn a blind eye to even blatant violations.

Singapore passed a law in 1987 to end unauthorised copying of computer software as well as audio and video cassettes, books and perfumes. Anyone caught selling a fake is liable to a fine up to 50,000 US dollar and a five-year jail term.

But industry officials say there has not been a single case of criminal prosecution

for local intellectual property rights infringement.

The Business Software Alliance (BSA), a private group formed by leading US software companies to combat the problem, says it suspects free-trading Singapore has become a distribution centre for pirated software manuals and programmes.

In a raid prompted by BSA of two Singapore retail outlets in April, hundreds of manuals and diskettes containing pirated software programmes were seized, including Microsoft MS-DOS version 6.0 manuals only two weeks after release of the new software in the United States.

"BSA is concerned that Singapore is becoming a notorious place for software piracy," said Alex Parlow, Microsoft's Corporate attorney.

Some argue that unilateral action by the United States is inappropriate.

India — listed for the third year running under Washington's priority list for retaliatory action against

patents violations — said it would not like to negotiate with the United States specifically on patents, but on the entire range of issues covered under the Uruguay Round of multilateral trade talks.

Thailand said the United States was demanding too much if it wanted Thai copyright laws to be toughened to meet strict US standards.

Bangkok would not take such action until rules on the protection of intellectual property rights were concluded under the General Agreement on Tariffs and Trade (GATT). Deputy Commerce Minister Jurin Lakarnavit said.

"What I have learnt from reports of US demands over Thailand's patent laws is that the US is demanding too much and its demands seem to flow on indefinitely," Jurin said.

Thai Prime Minister Chuan Leekpai said Thailand would adhere to international principles but would not bow to unacceptable US demands.

Under US law, Washington

must decide by the end of May whether to pen an investigation into states on the priority list, after which a cited country has up to nine months to tighten its laws or face sanctions.

N M Dhuldhoya, President of the Associated Chambers of Commerce and Industry of India, said the listing of India by the United States was "unfortunate and totally avoidable" in view of the GATT talks.

A prime area of disagreement for India and several other Asian countries is pharmaceuticals, with the United States arguing that stronger patent legislation can help domestic companies as much as multinationals.

But the Indian Drug Manufacturers Association has urged the New Delhi government to reject US "strong arm tactics" and not to succumb to pressure from Washington.

It argued that the ultimate victims would be the sick, as prices would rise five to 10 times their current levels if US patents were enforced.

**Pak garment exports fall short of target**

KARACHI, May 18: Pakistan's garment exports fell short of target in first 10 months of the current fiscal year due to depreciation of European currencies, exporters said here Monday, reports AFP.

Pakistan could export garments worth only 468 million dollar between July 1992 and April 1993 as against 576 million dollar for the corresponding period in 1991-92, they said.

"We lost competitiveness due to depreciation of European currencies," said one exporter. The government had expected to earn 750 million dollar during the current fiscal which ends on June 30.

During the last two years garment exports occupied third position in Pakistan's overall exports, fetching 613 million dollar in 1991-92 and 497 million dollar in 1990-91.

Concerned about the short-fall, the government recently announced concessions to en-

courage other textile exports which account for 75 per cent of all manufactured exports.

**Political uncertainty hits stock market**

Another report adds: Karachi Stock Exchange (KSE) lost 25,053 billion rupee (935 million dollar) in market capitalisation during the first ten months (July to May) of the current fiscal year 1992-93, due to prolonged political uncertainty, stocks market analyst said.

The stock exchange had boomed up to a record index of 1714.57 on January 7, 1992, following the adoption of wide-ranging market-oriented deregulation and privatisation policies of the ousted Prime Minister Nawaz Sharif.

The political uncertainty combined with international recession particularly in the vital cotton textile sector, started showing on the stock market.

**Dollar advances against major currencies**

NEW YORK, May 18: The American dollar advanced against other major currencies Monday amid speculation that US interest rates soon might head higher, reports AP.

Gold prices finished mixed after surging last week on inflation concerns. On the Commodity Exchange in New York, gold for current delivery shed 20 cent a troy ounce to 367.50 dollar. The Republic National Bank quoted a late gold bid of 366.50 dollar an ounce, down 80 cents.

Currency dealers said the dollar traded near the top of its recent range and wound up the New York session well above its opening levels. Meanwhile, traders were cautiously awaiting the outcome of Danish voting on a treaty on closer European union.



Danes taking preparation for the second referendum on Maastricht Treaty. — Star TV photo

**India's population growth rate declines**

NEW DELHI, May 18: The Indian population growth rate had declined from 2.22 per cent in 1971-81 to 2.14 per cent in 1981-91, reports Xinhua.

The Press Trust of India quoted the annual report of the Health and Family Welfare Ministry for 1992-93 as saying that this is the first time since 1921-31 that the population growth rate has declined.

The report notes with concern that the absolute addition to the population in 1981-91 was 163 million, almost equal to the population added in three decades, from 1931-61.

The report, however, adds that the population growth rate has come down from 2.22 per cent to 2.14 per cent in 1981-91.

The total number of acceptors of different family planning methods enrolled during 1991-92 was 25.69 million. A total of 4.06 million sterilisations were performed, the report said.

**India's trade gap widens**

NEW DELHI, May 18: India's exports earned 18.4 billion dollar in the fiscal year to March 31, a modest 3.61 per cent growth over the previous year, but were outpaced by imports, figures released here Monday showed, reports AFP.

Imports grew at 12.05 per cent and cost 21.7 billion dollar to leave a deficit of 3.3 billion dollar in fiscal 1992-93.

The deficit widened from 1.6 billion dollar in the previous financial year, when imports had been drastically prudent to save precious foreign exchange.

The figures were released a day after commerce secretary A V Ganesan warned that exports would suffer if the United States carried out its threat of imposing sanctions over India's failure to protect US patents, particularly on

drugs.

Washington last month designated India as a "priority country" under the US special 301 sanctions provision and announced it would set up a task force to recommend punitive measures.

At a meeting with representatives of Indian business, Ganesan said possible retaliatory measures such as punitive tariffs would hurt the competitiveness of Indian exports.

He said it was unfortunate that the United States had taken unilateral action when the question of patents was under discussion at the General Agreement on Tariffs and Trade.

India is aiming for an export growth rate of 15 per cent in the current financial year to keep its balance of payments under control.

**France has much to gain from GATT deal: EC Trade Commissioner**

BRUSSELS, May 18: France, as the fourth exporter of goods and second of services in the world, has much to gain from conclusion of a GATT deal, EC External Trade Commissioner Sir Leon Brittan said in Monday, reports AFP.

Brittan said that an agreement under the Uruguay Round of negotiations at the GATT would "serve the interests of its exporters in a series of areas of the negotiations."

He cited public-sector purchases affecting power stations, intellectual property rights for drinks, perfumes and pharmaceutical products, and market access, particularly in moderately-developed countries, for electrical machines

and chemical products.

Britain, in a speech at the Institute of Political Studies in Paris, the text of which was made available here, said France should work for quick agreement at the General Agreement on Tariffs and Trade (GATT).

Referring to sectors which are sensitive for France, and particularly agriculture and textiles, he defended the Blair House oil seed agreement negotiated between the EC and United States at the end of November.

The agreement meant that for the first time, the GATT would recognise explicitly that internal support in the EC was legitimate.

Similarly the so-called peace clause in the draft agreement would guarantee international stability. It would amount to "a mutual obligation, between the United States and the community, not to challenge the reformed systems of agricultural support at GATT."

Brittan said that even if there had been no GATT negotiations, the EC's common agricultural policy would have been reformed. "With GATT, the reformed system has international guarantees and farmers find new foreign markets," he said.

On textiles, he rejected charge wide against the com-

mission in a press campaign by the French Textile Industry. "Despite the banning of quotas by the GATT, for 40 years we have maintained quotas to protect this sector against all comers. Quotas would be maintained during the negotiation," he said.

Last week, the new French government published its policy on GATT, which stated that the oil seed agreement was unacceptable as it stood, but seeking an "armistice" with the United States in trade disputes. France said greater attention should be given to all sectors under negotiation at the GATT rather than primarily to agriculture.

**German metal-working union leader resigns**

MUNICH, May 18: The Vice-President of the metal-working industry's employers' association, Hubert Staerker, resigned on Sunday, the information office for the Bavarian economy said here on Monday, reports AFP.

It said that Staerker, who announced his resignation at a special meeting of the leadership of the employers' association, Gesamtmetall, said he was leaving because of disagreements with the association's information policy. He said harmonisation of the various members' viewpoints had suffered recently.

A Gesamtmetall representative said he was not aware of Staerker's resignation.

**'Germany, Japan responsible for industrial world's delayed recovery'**

PARIS, May 18: Recession in Germany and a deeper-than-anticipated downturn in Japan have contributed to further delaying economic recovery in the industrial world, slowing growth and raising unemployment, especially in Europe, western economic officials said Monday, reports AFP.

They said key countries differed on how to respond to the worsening outlook at the start of a two-day meeting in a high-level panel of the 24-nation Organisation for Economic Cooperation and Development (OECD).

The United States and Japan, in particular, were said to have voiced "impatience" with European member countries over their failure so far to move decisively to check a possible downturn in the region, brought on as a consequence mainly of Germany's plunge into recession.

The poor near-term outlook

and macro-economic policies required to improve it were key issues as top policy makers of the 24 OECD countries met in the high-powered Economic Policy Committee (EPC), in preparation for the annual OECD ministerial council, set for June 2 and 3.

The panel was understood to have discussed what room there might be for further reduction of interest rates in key OECD countries, and whether some countries would be in a position to pursue a more expansionary fiscal policy to get recovery going.

The discussion, based on an introductory paper presented by Canada, showed that some delegations remained worried about the risk of rekindling inflationary pressures, while others were "eager to get on with the job" of pushing economies into a higher gear, delegates said.

**Tea market may develop big shortage if adverse weather returns**

LONDON, May 18: Tea blenders currently hold much lower stocks than usual and a poor crop this year could lead to a significant shortage, reports Reuters.

The world is quite capable of meeting present demand given reasonable weather. However another period of adverse weather experienced in 1992 could create a real shortage of tea," Jimmy Hilditch, tea-buying director for Lyons Tetley Ltd said.

Hilditch, in a speech prepared for the UK tea convention at St Helier, Jersey today and released here, said buyers from all over the world had

run their stocks down from traditional levels.

An expansion of production in equatorial countries such as Kenya has helped blenders operate with lower stocks, with supplies less vulnerable to seasonal variations, he said.

Kenya has emerged in recent years as Britain's leading source of tea, taking over from its former major suppliers, India and Sri Lanka where production is seasonal.

The average price at the London weekly tea auction is currently around 110 pence a kilo, sharply down from a peak of about 160 pence at the be-

ginning of the year but up from a low of 89 pence in early 1992.

Nick Bunston, a buyer with Unilever Ceylon Ltd, said in another speech prepared for the Jersey conference that an improvement in shipping reliability had also helped to enable manufacturers to run on lower stocks.

"The less time a tea is held the fresher it will be when purchased by the consumer. There are also strong commercial pressures to reduce stock to release working capital," Unilever's Bunston said.

Another speaker, Mike Bunston chairman of the tea

brokers' association of London, said that with supplies tight the two key factors this year would be the impact of the weather on crops and the level of Russian buying.

"World crops fell dramatically in 1992 and with overall production down by 140,000 tonnes at the end of the year a tight supply situation developed," broker Bunston said.

The former Soviet Union took over from Britain as the leading importer of tea in the late 1980s with shipments peaking at 231,000 tonnes in 1990 before financial problems sharply reversed the trend.

**Strike ends in two more towns**

Another report from Wismar adds: Steelworkers and employers agreed on ending a crippling strike in two more eastern German states overnight Monday as industrial action in the eastern steel sector entered its third week, negotiators announced.

A draft accord was signed in the northeastern state of Mecklenburg-Vorpommern and in central Thuringia, three days after a similar agreement was reached in the states of Saxony and Saxony-Anhalt.

**Top 20 countries in UN Human Development Index**

UNDATED, May 18: Top 20 countries and other selected countries in the UN's 1993 Human Development Index, with ratings intended to measure quality of life, taking into consideration life expectancy at birth, educational attainment and adjusted per capita income:

Japan	0.983	Israel	0.938
Canada	0.982	Barbados	0.928
Norway	0.979	<b>Selected countries</b>	
Switzerland	0.978	Greece	0.902
Sweden	0.977	South Korea	0.872
United States	0.976	Russia	0.862
Australia	0.972	Argentina	0.832
France	0.971	Mexico	0.805
Netherlands	0.970	Brazil	0.730
United Kingdom	0.964	Turkey	0.717
Germany	0.957	Saudi Arabia	0.688
Denmark	0.955	South Africa	0.673
Finland	0.954	Philippines	0.603
Austria	0.952	China	0.566
Belgium	0.952	Iran	0.557
New Zealand	0.947	India	0.309
Luxembourg	0.943	Nigeria	0.246

**The days when silver was the king are gone, say Mexican miners**

MINA LAS CUMBRES (Mexico), May 18: From a windswept hilltop in central Mexico, Jesus Morillo Carlos surveyed what was left of his abandoned silver mine, says AP.

The wooden tower still stands, and a few trucks and cinderblock huts surround the entrance to Las Cumbres mine. He was here to shut off the electricity and move equipment out of this mine that dates from the time of Spanish conquistador Hernando Cortez.

Four hundred and fifty years ago, the glitter of silver and dreams of wealth-drew Spanish conquistadors and adventurers to these dry, rocky hills. But falling silver prices have devastated the industry that brought riches to Mexico and work to generations of miners.

"We just can't afford to work anymore, with prices the way they are," Morillo said. "Last year Luis Zamora shut down," he said, gesturing across the hill to another mine. "Three months ago Manuel Gomez closed his mine."

Their story is repeated in hundreds of small mines here in the state of Zacatecas and throughout Mexico's silver belt. Once the names of Zacatecas, Pachuca, Guanajuato and San Luis Potosi were synonymous with fortunes of silver and gold. Mexican silver helped make 16th-century Spain a world power, and financed its wars in Europe.

But low prices over the past decade have hit the

entire mining industry. Mines are closing and jobs are being lost, said Sergio Almazan, director of the 190-member Mexican Chamber of Mines.

"The industry is facing some tough times," Almazan said. "A lot of smaller companies have had to suspend production."

Mexico is the world's largest silver producer, accounting for 15.5 per cent of world production.

During the 1970s, silver prices soared to 50 dollar an ounce. But hit by global recession, prices in 1991 and 1992 reached their lowest inflation-adjusted real levels in decades.

Economists have been predicting a rebound, but prices keep declining, down 2.5 per cent in 1992 to 3.93 dollar per ounce. In 1991 prices averaged 4.03 dollar down in 16 per cent from 1990. The current price is around 4.37 dollar an ounce.

The main drop in demand has been in photography, which once took up to 40 per cent of world production, and electronics, experts say. Substitution and recycling have taken over.

The Mexican government has said it will issue coins with more silver in them to improve the market.

In Mexico, the crisis threw more than 36,000 miners out of work in 1990 alone. Employment fell from 240,000 in 1990 to 204,000 in 1991, the last year for which figures are listed.

The downturn has hit small and large mines alike. The Fresnillo mine, 40 miles (60 kilometers) northwest of Zacatecas city, sits on one of the largest silver deposits in the world. Silver has been coming out of the red dusty soil since 1531. But falling world prices have meant lay-offs and falling profits, said mine manager Esteban Lerma Reaza.

"Silver is no longer a precious metal," Lerma said. "Its becoming an industrial metal."

Outside a mine shaft entrance near a shrine to the Virgin of Guadalupe, Mexico's patron saint, Juan Carlos Fernandez waits for his shift to begin. He and fellow miners joke as an Associated Press photographer takes their pictures.

The 800 miners here make about 8.30 dollar a day. Most of their families have been mining for more generations than they can count. Their children may have to find another trade.

"They say there's going to be another lay-off of about 200," said Fernandez, 24. "They're not going to use these pictures for the lay-offs, are they?"

With low prices expected to continue, industry experts say Mexican mining must adapt to survive.

"There's little or nothing we can do about world prices, so we're focusing on making our industry more efficient," Almazan said.

That means better technology and diversification into other minerals, especially copper, experts say. But it also means more job cuts. In Zacatecas state alone, closures and cut-backs have cost 500 jobs in the last few months, says Ruben del Pozo, head of the state mines department.

"I don't see prices rising much above four dollar for the next four years," says Enrique Guzman, who runs the San Bernabe mine with his brother Gustavo, across the road from Las Cumbres.

But while the Morillos and others close, the Guzmans are expanding.

Part of the reason is that Las Cumbres produced only silver, Enrique Guzman said. "Those of us who are continuing to work are mining other minerals, like copper and zinc. Silver is becoming a secondary product."

Some are banking on the long term, hoping silver prices will rise to the five or six dollar per ounce that would allow many marginal mines to reopen.

Larger mines are increasing production, modernising and teaming up with US and Canadian conglomerates to take advantage of state-of-the-art technology.

But the days when silver was king are gone. Silver mining slowly is being reduced to a tourist attraction. The state has refurbished an abandoned mine in the capital to showcase the states mining history.