

# US House sees India as future economic power

WASHINGTON, June 9: India is potentially a more important economic player than the erstwhile Soviet Union and eastern Europe, according to the Ackerman subcommittee of the House Foreign Affairs Committee, reports PTI.

The subcommittee, in a report on South Asia recently, said the budget announced by the government of India extends a far reaching programme of economic reform that has the

potential to radically transform the South Asian economic landscape.

By the turn of the century, India could well be a more important economic player than the former Soviet Union and eastern Europe, it said.

But the committee expressed concern over human rights and the nuclear proliferation issue.

**18 to 22m unemployed**  
Xinhua adds from New

Delhi: The unemployed number in India is around 18 to 22 million in 1992-93, an expert said in his study published in the Times of India here.

The study, "unemployment and the financing of relief employment in a period of stabilisation in India 1992-94," said that the figure will rise to 19 to 25 million in 1993-94.

It says that a total cost of 57.6 billion rupee (1.86 billion U.S. dollar) is required in order

to extend some relief to 20 million unemployed persons in 1992-93. By 1993-94 this could go up to around 60 billion rupee (1.94 billion U.S. dollar).

Though in absolute sums the money looks large, the financing of an enlarged relief programme is "really a problem of adjustment at the margin," accounting for only 2.5 per cent of total central government expenditure, it says.

# Accord on Uruguay Round trade talks likely by year end : Dunkel

BARCELONA, Spain, June 9: GATT Director-General Arthur Dunkel said on Tuesday he was hopeful agreement on the Uruguay Round of world trade negotiations would be reached by the end of this year, reports Reuter.

"I think there has never been a better time to conclude an agreement and we should have one by December 15. The problem is political, not technical," he told a news conference in Barcelona.

Dunkel, who was later due to address an economists group there, said he was very encouraged by recently improved relations between the European community and the United States on trade, as reflected in the recent agreement on oil seeds.

and of US and EC efforts to reduce transatlantic tensions. It is exactly what we need to conclude the Uruguay Round," he said.

Dunkel said he saw Russia, which is expected to formally apply for GATT — the General Agreement on Tariffs and Trade — membership this week, beginning negotiations on entry in a question of days or a few weeks.

# Russia will apply for GATT membership

GENEVA, June 9: President Boris Yeltsin is expected to apply formally on Friday for Russian membership in the Geneva-based General Agreement on Tariffs and Trade, a spokesman for the global body said on Tuesday, reports Reuter.

Diplomats from major trading nations said the request represented a major step in Russia's bid to integrate into the world economy.

But negotiations to admit Moscow to the 111-member club were expected to take a few years to complete and would depend on Russia's reforms toward a market economy, they

added.

The ruling GATT council will probably set up a working party to study the application at a meeting on June 16, according to a GATT spokesman. Diplomats said the group could hold a first session in the last few months of this year.

Arthur Dunkel, who retires as GATT Director-General at the end of June, is scheduled to meet Yeltsin in Moscow on Friday to receive Russia's official application, a GATT spokesman said.

A Geneva spokesman for the European Community said the 12-nation bloc welcomed Moscow's application.

"After the inevitable period of adjustment with the change in government in the United States, it is encouraging to see the willingness of the EC and the US to arrive at results quickly," he said.

The EC-US oil seeds agreement was part of a wider accord on farm trade struck at Blair House, Washington, last November.

The European Community later on Tuesday formally endorsed the EC-US deal to limit the area sown to oilseeds in the 12-nation bloc.

Dunkel said though the oilseeds accord was outside the Uruguay framework it was a sign of new efforts to conciliate.

"This issue is not one covered by the Uruguay Round, but is an example of the GATT settlements procedure in action,

He noted that any country negotiating for entry as a full contracting party could also take part in negotiations for the Uruguay Round.

Dunkel is scheduled to meet Yeltsin in Moscow on Friday to receive the application, a GATT spokesman said in Geneva on Tuesday. The ruling GATT council will probably set up a working party to study the application at a meeting on June 16, he said.

Asked about who would replace him when he retires at the end of June, Dunkel said: "My successor is the only matter in GATT not in my hands — I have no comment on possible candidates."

# WB loans \$ 46m to Ukraine

KIEV, June 9: The World Bank announced on Tuesday it was extending its first credit to Ukraine — 46 million dollar to support market-oriented reforms in the former Soviet republic, reports Reuter.

Daniel Kaufmann, the bank's representative in Kiev, told a news conference the credits included 29 million dollar in long-term soft credits and 17 million dollar in grants.

Kaufmann said the credits were intended to ease privatisation launched by the Ukrainian government, develop the fledgling banking system and help organise the state budget.

"This is only initial aid. It is not just consultative help but rather intended for concrete projects," Kaufmann said.

"This is a foundation for further operations of the World Bank in Ukraine."

# Norway goes for whale hunting defying ban

OSLO, June 9: The first Norwegian whaling vessels set to sea on Tuesday to hunt commercially for the first time since 1987 in defiance of a global moratorium, reports Reuter.

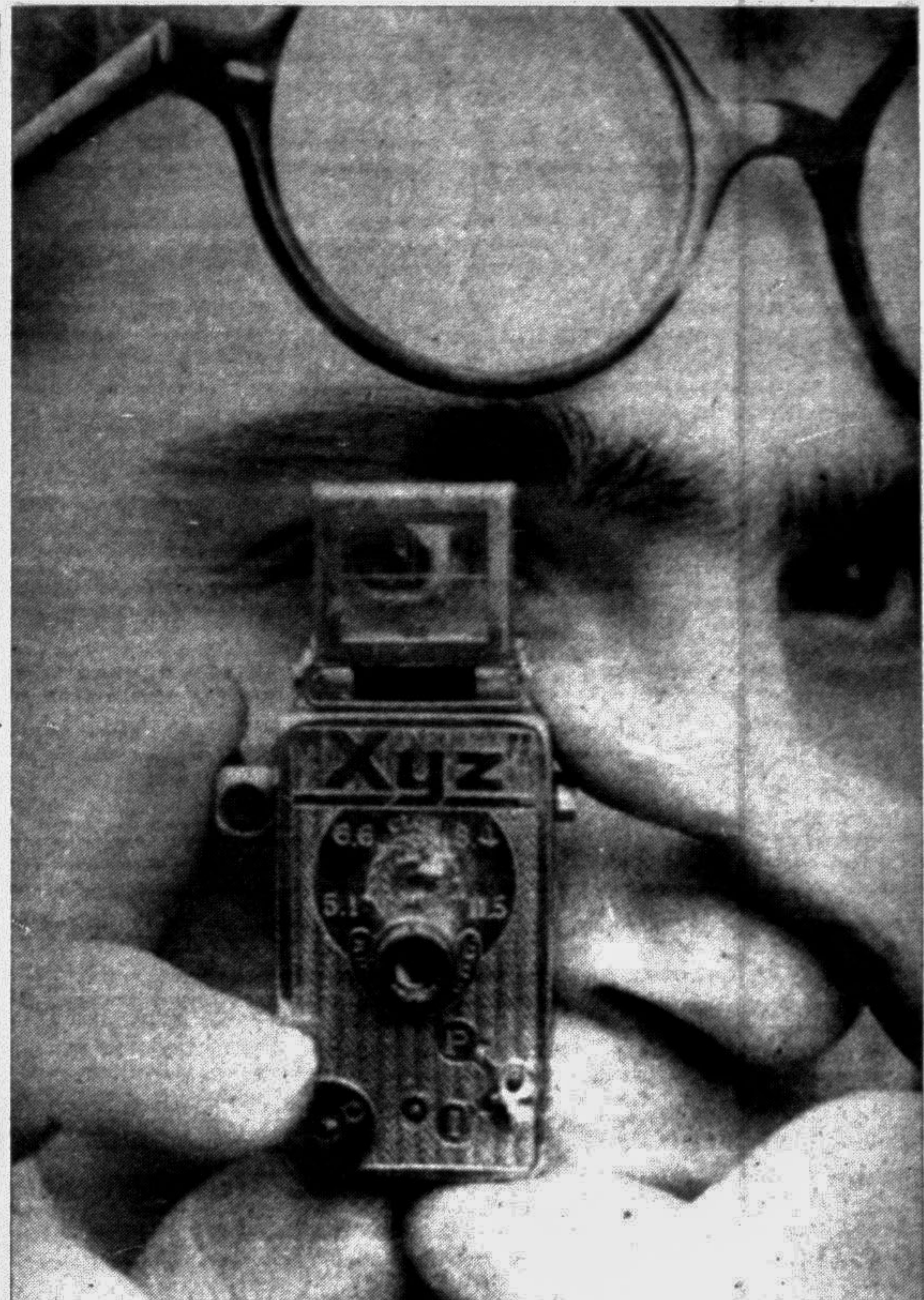
The national news agency NTB said two more vessels were expected to follow suit today.

No environmentalists tried to stop the "Brandsbolmboen" when it left the northern port of Steine, NTB reported.

A total of 28 whaling boats will participate in Norway's commercial catch of 160 mink whales. Oslo also plans to kill 136 minks for its scientific research programme.

Norway continued to hunt whales for research after it imposed a ban on commercial catches and last year killed 95 mink whales.

The International Whaling Commission (IWC) last month extended a 1985 ban on commercial whaling, but Oslo argues that stocks of mink whales have recovered sufficiently to sustain a limited hunt.



Sothebys camera specialist George Glasstris holds May 28, a French Lancart 12x15 mm 'xyz' camera, part of a private European collection of cameras, optical toys and magic lanterns to go under the hammer on June 2 at Sothebys in London. — AFP/UNB photo



KUALA LAMPUR: A plantation worker holds an oil palm seedling on Sunday. Malaysia, the world's largest palm oil producer and exporter, is facing a shortage of oil palm seeds whose fruits produce oil for cooking and manufacturing soaps. — AFP/UNB photo

# Commonwealth may lift trade sanction on S Africa: Anyaoku

CANBERRA, June 9: Commonwealth countries could lift trade and investment sanctions against South Africa within weeks, Commonwealth Secretary-General Emeka Anyaoku said on Tuesday, reports Reuter.

The lifting of sanctions seemed likely because of the progress of multi-party all-race talks towards setting a date for an election in the white-ruled republic, Anyaoku said after talks with Australian Foreign Minister Gareth Evans.

"The time is approaching, we're not quite there yet, we are waiting for the developments which I hope will be occurring in the next few weeks," Anyaoku told reporters.

"We're waiting to see agreement reached, first on the establishment of a transitional mechanism — the transitional executive council — and then the naming of a date for elections next year," he added.

Anyaoku's comments follow an earlier statement by Commonwealth member New Zealand which said the trigger for lifting sanctions would be the announcement of measures to oversee the transition to full democratic rule, including an

election date.

"If the (April 27, 1994) election date is finalised, it will represent a significant step forward in the achievement of full participatory democracy in South Africa," Wellington's Foreign Minister Don McKinnon said.

Commonwealth governments, especially Australia, New Zealand and Canada, had been co-operating closely on the issue of sanctions, originally imposed because of Pretoria's apartheid policy, McKinnon said.

He said restrictions on arms exports were likely to remain until the new government was elected.

The South African government, the African National Congress (ANC), the Inkatha Freedom Party and other groups involved in democracy negotiations are expected to set a date for the first all-race election on June 25. One proposal is for it to be held on April 27, 1994.

Anyaoku arrived in Australia on Monday as part of a regional visit in the lead-up to the October Commonwealth Heads of Government Meeting (CHOGM) in Cyprus.

A phased lifting of sanctions against South Africa was agreed at the 1991 CHOGM meeting in Harare.

Under the phased lifting of sanctions, Australia in 1991 renewed direct air links and cultural, scientific and sports team exchanges and made it easier

for South Africans to get Australian visas.

Australia has said that in line with Commonwealth policy, trade, investment and financial sanctions would remain until South Africa was irrevocably on the road to democracy.

The change came after Rullit was set as a border trade zone in 1985 by the Central Government.

About 15,000 businessmen and tourists, including those from Myanmar, Pakistan and India come to this small town daily. More than 100 shops, together with hotels and restaurants, are dotted on the town's six streets.

Last year the total import and export volume hit 710 million yuan (more than 100 million U.S. dollar). The town has become the biggest border trade center in southwest China.

# Border trade turns Chinese town into nightless bazaar

KUNMING, June 9: Flourishing border trade has turned a little town on China's southwestern tip into a nightless bazaar, reports Xinhua.

Rullit in Yunnan province, blocked by ranges of mountains and plateaus from the rest of the country, is three kilometers away from the Sino-Myanmar border.

Seven or eight years ago, the town's night was silent and serene except for the faint sounds of drums and gongs from nearby Dai nationally villages and the gentle rustling of bamboo woods in breeze.

Today, when dusk falls, local residents go to ballrooms, bars and karaoke or stroll along streets. Tourists go to the street where border trade takes place,

bargaining with peddlers for their jewels, cosmetics and handicrafts. The bazaar doesn't end until one or two o'clock the next morning.

# The rise of China's economy — economy in year 2000

What will China's economy be like in 2000? Writer Frederic F Clairmont provides a hypothesis, with the use of a simple model. (Second article in a three-part series)

It is in this setting of Promethean expansionism, and sharply rising expectations, that the model was conceived. Growth has become an inflexible article of faith for China's leadership. At all times, extrapolations of past trends are hazardous scientific ventures. The model's unpretentious claim is to provide an order of magnitude. The pitfall of this mathematical exercise — amongst others — is compounded by making international comparisons by deploying the volatile US dollar as a benchmark.

Given the still considerable potential that remains to be tapped, there are few grounds for the Keynesian and Malthusian apprehensions that capital accumulation (savings and investment) will outpace growth of the labour force, as well as profitable investment markets. Although a ruthless demographic control remains at the top of the agenda, sustained economic growth is mandatory to absorb the 165-180 million that enter the labour force between now and 2000. Population growth is postulated to remain at a robust 1.5 per cent.

The model assumes a 10 per

cent straight-line growth up to 2000 — an assumption that does not brusquely depart from the performance of the last two decades. What is perceived is that by the century's end its per capita income will almost have doubled. Unique in the annals of history is that a Third World nation will have crossed the threshold of a 1.5 trillion dollar economy.

Thus the oldest of uninterrupted civilisations that incarnated a millennial poverty will have shed its Third World skin, or to retain a grain of skepticism we might add the caveat — almost. "Never before in recorded history," as the current metamorphosis is succinctly depicted in The New York Times, with a Churchillian turn of rhetoric, "have so many people — or perhaps such a large proportion of humanity — risen so rapidly from poverty." Even in the very short term the implications of this shift are momentous.

Lenin's grand vision that the revolution's triumph in Russia, China and India would ensure the revolution's victory worldwide has been shattered by the emergence of a different order of things. A sinking Russia, or what is left of it, has already been dumped into the lower

depths of the Third World. The gap, already awesome, between India and China promises to become a chasm by 2000. The economic, social and geo-political significance of this strategic historical shift obviously does not stop there.

The model relates exclusively to mainland China. It does not embrace Taiwan (categorised by Beijing as a rebel province) whose GDP is 185 billion dollar and Hong Kong 93 billion dollar. The latter returns to China in 1997. It's merely a matter of time before Taiwan returns to the patrimony. For the sake of analytical clarity the duo have been omitted from our calculations. In so doing, the model obviously sins on the side of underestimation.

Given that a 10 per cent growth appears unsustainable during the first two decades of the next century we have sharply readjusted growth downwards to six per cent as from the turn of the century. Similarly, the savings rate has been cut from 38 to 30 per cent. On the proviso that these magnitudes are reached, the inference can be advanced that China will surpass the US as the world's leading industrial power, although not, as yet, on a per capita basis.

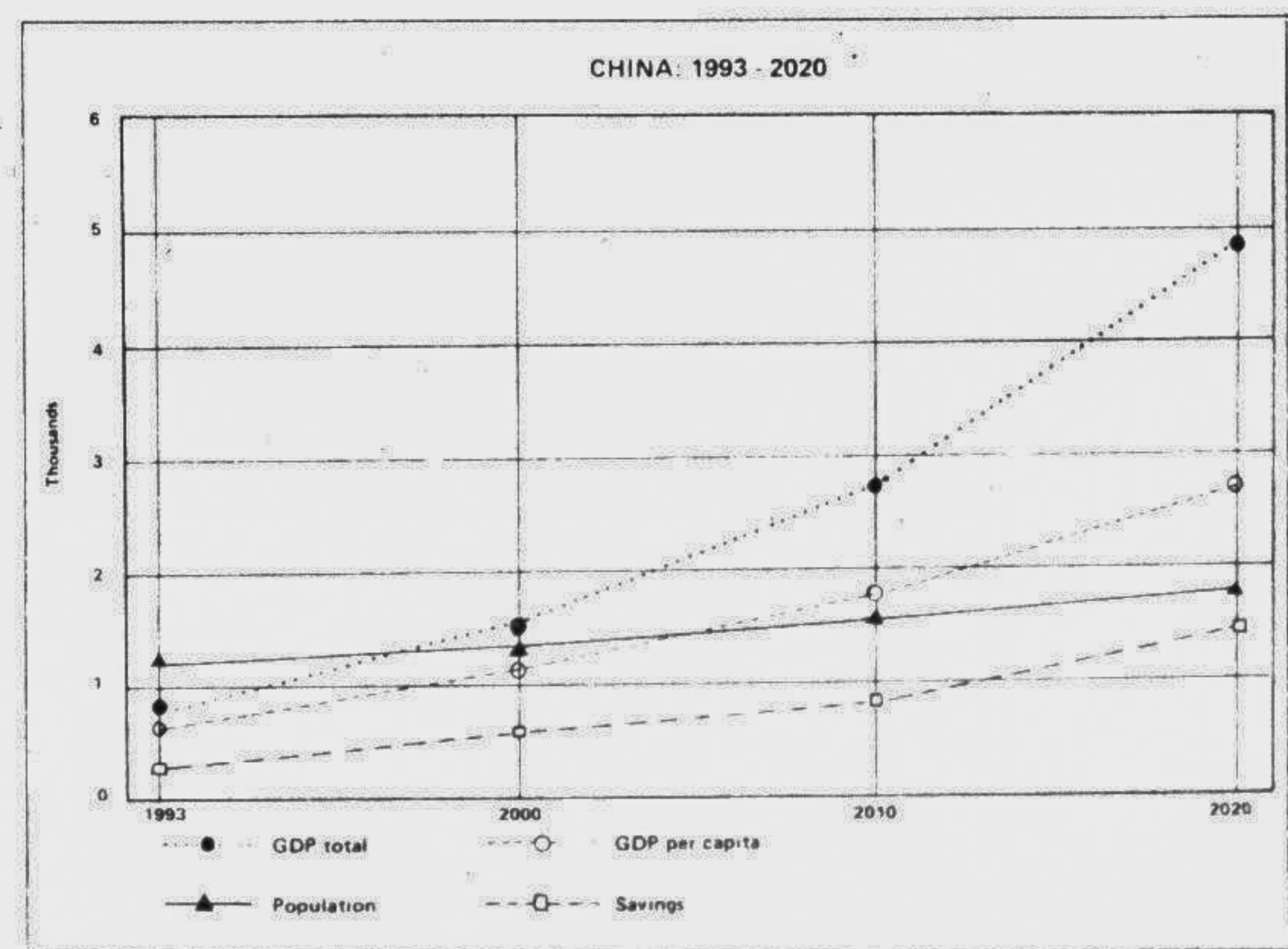
China's growth configuration is creating an integrated market minus all the legal trappings of the European Community, and the agonising convolutions of Maastricht. Certainly competition is a compulsive force that is forging a Greater China. But as the Party and the Diaspora both recognise, an uninhibited economic liberalism can be quickly transmuted into a destructive force. Thus the integrated movement, synonymous of the makings of the Greater China, is also being galvanised by an increasingly decentralised, muscular and profit-oriented public sector.

All of the Tigers are being integrated at a fast clip, a fact applicable not only to the Chinese ethnic tigers: Singapore, Taiwan and Hong Kong. Increasingly, the integrative process already embraces non-Chinese ethnic regions: the Koreans, Vietnam and Russia's vast Siberian regions and Myanmar. Owing to the Diaspora's economic reach in Mandalay and the north, the country already exhibits symptoms of being an extension of Yunnan's economy.

— Third World Network Features  
The concluding article will appear tomorrow.

China: Selected indicators 1993-2020

	1993	2000	2005	2010	2015	2020
GDP total, billion dollar	780	1560	2034.103	2722.088	3642.768	4874.846
GDP per capita, dollar	650	1141	1417.55	1760.912	2187.443	2717.296
Population, million	1200	1332	1434.942	1545.84	1665.309	1794.011
Savings, billion dollar	296	578	610.2309	816.6265	1092.831	1462.454



# US dollar falls against yen in New York

NEW YORK, June 9: The dollar weakened against the Japanese yen but stabilised against other currencies in quiet trading in New York on Tuesday, reports AFP.

Gold rose 1.20 dollar from Monday's close to 375.20 dollar an ounce.

The dollar was trading at 1.6235 German marks, up from 1.6200 Monday, but fell back to 106.50 yen from 107.20. Earlier in the day in London, the US currency traded at 1.6215 marks and 106.60 yen.

The dollar had fallen to a record low of 106.24 yen in Tokyo overnight, but massive intervention by the Bank of Japan helped it recover a little, said a dealer with a major European bank in New York.

The new fall in the greenback against the Japanese currency came after a senior US official said Washington had asked Tokyo for a significant reduction in Japan's trade surplus.

The dollar rose against the French franc to 5.4665 from 5.4550 Monday and against the pound sterling, to 0.6595 from 0.6568. But it slipped to 1.4525 Swiss francs from 1.4540.

Trading ended quiet through the day in the absence of any new economic indicators.