

Russian bankers ask Yeltsin for protection against Mafia gangs

MOSCOW, July 17: Russia's top bankers have appealed to President Boris Yeltsin for protection against a campaign of murder and hostage-taking by criminal gangs, reports Reuters.

In an open letter to Yeltsin published on Friday, Sergei Yegorov, President of the Association of Russian Banks, and four other senior bankers said Mafia gangs were conducting "open physical violence" to bring commercial banks into their sphere of influence.

Bank officials and their families were being attacked and

hostages seized. "Recently there have been more than 10 contract murders of leading officials of commercial banks in Moscow, St. Petersburg and Yekaterinburg," they wrote in their letter, the text of which was published by Trud newspaper.

The latest such victim, they said, was Boris Yakubovich, 25-year-old Director of Inkom-bank's branch in St. Petersburg.

Another newspaper, Novaya Yezhednevnyaya Gazeta, said Yakubovich was killed by a blow to the bridge of the nose as he

left his home. Criminals had first begun intimidating small and medium-sized banks "but now they are trying to intimidate even the representatives of the biggest Russian banks," the open letter said.

"A situation has now come about that the new financial, entrepreneurial institutions are in the gun sights of well-organised bandits armed with up-to-date technical means," it said.

They complained that police had shrugged off all the evi-

dence pointing to pressure from organised criminals, explaining the incidents as a settling of accounts among bank officials.

They urged Yeltsin to use all his powers to stop the country falling into the hands of criminal gangs.

"The very idea of making Russia a just state is under threat. We hope that our appeal will receive the attention of the president and that state security organs will apply efforts to defend the lives, honour and dignity of Russians," the letter said.

Social security system benefits 15m Iranians

TEHRAN, July 17: Director of Iran's Social Security Organisation (SSO) Mehdi Karbasian announced here today that about 15 million Iranians, or 28 per cent of the population, are benefiting from the country's social security system, reports Xinhua.

Speaking to a crowd of Iranians before the Friday prayers on the Tehran University campus, Karbasian said that all wage earners, businessmen and self-employed people and 47 per cent of the urban residents are receiving benefits from social security.

Among those about 3.6 million self-employed people in various business circles are under social security, including medical aid, disability payment and retirement pension, he said on the occasion of the social security week.

Referring to the SSO's operation, Karbasian said that the organization has built 65 hospitals with a combined capacity of 10,000 beds and 25 clinics with an initial budget of 120 billion rial (75 million US dollars). It has recently started building another 37 clinics, he added.

ILO seminar on human resource development begins

The International Labour Organisation (ILO) through its Asian and Pacific Skill Development Programme (APSDEP) based in Bangkok will, in collaboration with the Bureau of Manpower, Employment and Training (BMET) of the Government of Bangladesh, has organised a four-day national seminar on the Role of Vocational Training Towards Human Resources Development in Bangladesh at Hotel Sonargaon from July 17 to 20, says a press release.

The seminar has three main objectives: First, to assess the effectiveness of the current vocational skill development programmes, both government and non-government, in the light of national objectives. Second, to identify measures for improving internal efficiency of the training programmes and enhancing their contribution to economic, social and human resource development, and Third, to suggest mechanisms for linkage between the industries and the training institutes in the country. The seminar will focus on important issues like how the training programmes could be made more responsive to the labour market and contribute to promotion of employment opportunities, including self-employment. It will also discuss ILO Convention No. 142 concerning vocational guidance and vocational training in the development of human resources.

Produce superior products, urges Indonesian Minister

JAKARTA, July 17: Indonesian Trade Minister Statrio Budihardjo has urged the factories to create superior products to bolster non-oil/gas exports and augment the share in the international market, reports Xinhua.

At a recent seminar, he stressed that Indonesian producers must keep up with the taste of foreign consumers in order to secure a share in the world market.

He noted that it is important to turn out superior products because many goods and services tend to have shorter life cycle as consumers' taste is fast changing.

The minister disclosed that Indonesia now has 20 main export destination countries with 86 of its 262 non-oil/gas commodities having a strong competitive edge.

In 1992 the export value of the 86 products reached 18 billion US dollars. Of these commodities, 53 are industrial products, five are mining and the rest are agricultural.

Free markets in China account for 25pc of retail sales

BEIJING, July 17: Over the past decade and a half, China has developed 80,000 free markets, which presently account for about 25.2 per cent of all retail sales in the country, reports Xinhua.

Large-scale free markets have developed most quickly. China has 350 large markets nationwide whose annual sales top 100 million yuan (about 17.5 million US dollar), a 10-fold increase over five years ago, said an official at the state administration for industry and commerce.

Turnover in the free markets has overtaken that of government-run stores by a wide margin in the areas of agricultural

products and major non-staple foods. Free markets have become one of the most important channels in the supply of daily necessities to rural and urban residents.

The transaction volume of grain and edible oil increased by approximately 30 per cent last year in the free markets, compared with the previous year.

The official said large numbers of state-run enterprises have joined in competition with private firms in the free markets.

Statistics show that the earnings of state-run enterprises in the free markets last year reached 49.7 billion yuan

(about 8.7 billion US dollar), a rise 42 per cent over the preceding year.

The official said that various areas are placing a high priority on the development of free markets and regard them as a major means to be used in the creation of a market economy.

Statistics show that the number of super free markets whose sales were between 500 million and one billion yuan (about 87.5 to 175 million US dollar) have increased from five in 1991 to 19 at present, those with sales above one billion yuan increased from three to 12.

Trade surge brings back Gulf funds

ABU DHABI, July 17: A business upturn is bringing back domestic funds that were transferred out of the Gulf region after the Iraqi invasion of Kuwait, officials and bankers said Friday, reports AFP.

Around 23 billion dollar in government and private funds were forced out of the six-nation Gulf Cooperation Council (GCC) in the first two months after the 1990 invasion and the sum that has returned is higher.

Bankers said Saudi Arabia, which suffered most from the fund drainage, retrieved about 25 billion dollar, which were reflected in a sharp growth in its bank deposits as well as in construction and stocks. Another two billion dollar returned to

the United Arab Emirates (UAE).

"Economic departments in the GCC have confirmed the return of a large part of Gulf funds due to a surge in business and profits by banks and companies," the official Emirates News Agency WAM said Friday.

The Saudi Arabian Monetary Agency (SAMA) recently said deposit with its 12 commercial banks had steadily increased since the end of the war in February 1991 due to renewed confidence in the economy.

After a loss of around one billion dollar, deposits jumped by 19.2 per cent to 45.6 billion dollar at the end of 1991 and by 3.6 per cent to 47.3 billion dol-

lar at the end of 1992, SAMA said. Deposits rose by 5.3 per cent to 49.8 billion dollar at the end of March.

In the UAE, bank deposits increased by nearly 3.4 per cent to 20.1 billion dollar at the end of 1992 from 19.4 billion dollar.

Banks in Saudi Arabia, the UAE and other GCC members — Kuwait, Oman, Bahrain and Qatar — also reported record profits.

Saudi banks said profits soared by 73 per cent to 978 million dollar in 1992 from 565 million dollar in 1991. Profits of the largest 17 banks in the UAE peaked at 259 million dollar.

Bankers attributed the high profits to a decline in interest

rates on deposits and a sharp business upswing in the region, mainly due to higher government spending, which constitutes the main factor in Gulf economies.

They said they expected the boom to continue in 1993 as GCC states approved even higher budgets and projected an increase in revenues to 67 billion dollar from 59 billion dollar in 1992.

Saudi Arabia announced the biggest budget increase, with spending projected at 52.5 billion dollar in 1993 compared with 48 billion dollar in 1992. Officials said this would further stimulate the economy, which is still heavily dependent on oil.

Arabs making structural changes to economies after market reforms

AMMAN, July 17: Arab states are now making structural changes to their economies after progress in financial reform, said senior IMF official, reports Reuters.

"Countries with IMF-assisted programmes are now heading more towards structural reforms involving price liberalisation, reducing tariffs, opening their economies to the outside world, and removing state controls," Abdul Shakour Shaalan, Executive Director of the International Monetary Fund (IMF), told Reuters in an interview in Amman.

Shaalan said North African Arab states like Tunisia and Morocco, embarking on IMF

reforms decade earlier, had already succeeded in overcoming their fiscal problems.

He said two countries, prior to the reforms, had suffered from high budget deficits, relatively slow growth below their potential, high inflation and closed economic systems.

More recent programmes undertaken by Egypt and Jordan had already begun achieving "remarkable" fiscal targets, he added.

"The 16 billion dollar of bank reserves in Egypt after the exchange rate was freed and appropriate policies pursued are unprecedented. I did not dream it would happen that fast."

"Their budget deficit was in

excess of 20 per cent of GDP. This year it's expected to be 3.5 per cent — quite an achievement," he said.

IMF assisted programmes, whether officially adopted or not, along with World Bank programmes are instrumental in moving more Arab states towards market-oriented economies, he said.

"IMF-assisted policies have borne fruit in many Arab countries by liberalising policies away from tariffs on trade, and promoting favourable investment laws for the private sector to operate freely. But it cannot be brought about overnight."

He said while countries in the region like Syria and Yemen

have not formally undertaken IMF reforms, they were embarking on similar policies or getting IMF advice.

Shaalan said official creditors were also studying debt relief for heavily indebted countries in the Middle East to make it easier for them to implement IMF-assisted structural reforms.

Shaalan said aid to eastern Europe in the aftermath of the collapse of the former Soviet Union had not diverted resources from the region.

He added that the region had the potential, with the right policies in place, to attain very high levels of growth.

Canada's economic growth dims as recovery falters

OTTAWA, July 17: Canada's economic growth, forecast to be among the strongest among Group of Seven industrialised nations this year, appears to be faltering, reports Reuters.

Economists are lowering their growth forecasts for 1993 to below three per cent, and as low as 2.5 per cent, from previous predictions of above three per cent.

"What we are seeing is the muddling through nature of the recovery," said Warren Justin, chief economist at the Bank of Nova Scotia.

Analysts say the slowdown is due partly to an uneven recovery in the US the destination of some 80 per cent of Canada's exports. Economic revival here has been led chiefly by strong shipments abroad.

But exports declined by 299 million Canadian dollar in May to 14.5 billion Canadian dollar following three months of increase, the government's statistics Canada agency reported earlier.

"We see exports continuing to grow but not at the same pace they have," said Linda Nazareth, an economist with the Canadian Imperial Bank of Commerce.

Despite the decline in May, year-to-date exports were 16.4

per cent higher than in the first five months of 1992.

Analysts hope the export strength will expand to the domestic sector, where consumers have been shell shocked by rising taxes and high unemployment.

But they note that big tax increases that took effect on July 1 in Quebec and Ontario aimed at cutting swollen deficits will probably stifle any resurgence in domestic demand.

"With the Mega-tax increases in Ontario and Quebec, this will have an impact on consumer spending intentions in the sec-

ond half of year," said Bank of Nova Scotia's Justin.

"The tax rises will not halt the recovery but it is something that will stop the recovery from taking off," said Earl Sweet, an economist with the Royal Bank of Canada.

The Royal Bank has dropped its forecasts for growth to 2.9 per cent in 1993 and 3.9 per cent in 1994.

On the positive side Canadian composite leading indicators, reported Wednesday rose by strong 0.9 per cent in June, imports rose to a record

13.9 billion Canadian dollar in May, signalling some increase in consumer activity.

Employment rose by surprising 99,000 in June, but analysts say this rate of growth is unsustainable.

Statistics Canada also said that Canadian manufacturers' shipment fell 1.2 per cent in May, dropping for his second consecutive month for the first back-to-back decline since January 1992, after six straight rises.

Analysis said the drop in manufacturing was disappointing and another reason to lower their 1993 growth forecasts.

The federal government had earlier forecast growth of about three per cent for the year, while Organisation for Economic Cooperation and Development had predicted 3.1 per cent expansion.

Forecasting group MMS International has lowered its forecasts for yearly growth to below 2.5 per cent, while the Canadian Imperial Bank of Commerce cut its growth forecast to 2.8 per cent for 1993 and 3.2 per cent in 1994.

The Bank of Nova Scotia said its growth forecast for 1993 is 2.5 per cent and 3.0 per cent in 1994.

Thai workers seek better protection for rights

BANGKOK, July 17: Hundreds of workers supporting colleague sacked from a textile plant and demanding better protection for workers' rights continued a rally outside Thailand's government house today, reports AFP.

The protest, which police said swelled to about 6,000 people Friday evening, still occupied a stretch of closed-off road outside the complex, which houses the offices of Prime Minister Chuan Leekpai

and his aides.

Hundreds of police, including anti-riot units, moved in at the height of the rally late Friday but the protest remained peaceful and good-natured, an officer said.

The protesting workers, most of them from private industrial estates which ring Bangkok, have been rallying since Tuesday.

They were joined Friday by colleagues from state enterprises, reports said.

Jakarta to review membership in int'l coffee, rubber bodies

JAKARTA, July 17: Indonesia will review its membership in two international organisations, the International Coffee Organisation (ICO) and the International Rubber Organisation (INRO), the Antara news agency said here Saturday, reports AFP.

"Indonesia is to review the merits and demerits of remaining as a member of the two organisations. We may well withdraw from them if we conclude that the demerits outweigh the merits," Antara quoted Trade Minister Billy Judono as saying.

Resumption of Iraqi export promises a nervous ride for oil prices

LONDON, July 17: Oil prices may not crash but the likelihood that the United Nations will, sooner or later, ease a 1990 embargo on the exports of Iraq promises a nervous ride, reports Reuters.

And they may settle in a lower range than the 17-21 US dollar a barrel for the benchmark Brent blend crude oil which has prevailed since the end of the 1991 Gulf War, say Western industry executives and analysts.

They expect that a sagging market will finally coerce OPEC into setting new output quotas to balance supply with demand. But disputes over market share among the 12 members of OPEC, which have led recently to poor quota compliance and an excess of supply even without Iraqi oil, suggest this may take time.

"OPEC," says Mehdi Varzi, who follows the industry for London-based Kleinwort Benson Securities, "is facing its worst crisis since the oil price collapse of 1986."

Brent crude futures fell below 16.25 US dollar this week when negotiations between Iraq and the United Nations appeared close to an accord to ease the embargo on Iraq's exports which was imposed when it invaded Kuwait in 1990.

A fragile rally followed when talks were suspended to next

week for the Iraqis to get fresh instructions from Baghdad.

But prices remain down by 15 per cent since February. Skittish markets maybe expected to sell gain on any new sign of progress on Iraq.

Those analysts who bet that a deal will finally be struck cite the pressing need of the United Nations, stretched by operations in Bosnia, Somalia and Iraq itself, for money.

The proposals under discussion would let Iraq sell oil worth 1.6 billion US dollar over six months, under supervision, to pay for food, medicines and UN operations.

For OPEC, the problem is the uncertainty. Ministers say they can't meet in emergency session — as they normally would when prices nosedive — before they now if Iraq oil will indeed flow again, when and in what volume.

"It seems to most of my colleagues that we should wait and see what will happen," says OPEC President Jean Ping of Gabon.

In the interim, however, just the threat of resumed Iraqi sales, and each new fall on petroleum futures, tempts OPEC to exceed existing quotas and sell as much as it can before the inexorable day of reckoning.

Current output may already exceed 24.5 million barrels per

IMF begins procedures to rule Sudan ineligible for funds

AMMAN, July 17: The International Monetary Fund (IMF) has begun suspension procedures to rule Sudan ineligible to draw from the international body's resources for non-payment of arrears, a senior official of the fund said.

"Unfortunately Sudan has run into sizeable arrears with the IMF and in accordance with our procedures they are not eligible to withdraw from the fund's resources," Abdul Shakour Shaalan, Executive

Director of the IMF told Reuters.

"Suspension procedures have already commenced with Sudan."

Shaalan said the IMF step to suspend Sudan's eligibility to draw on the fund's resources, will take a few months to complete.

He declined to say how much Sudan's outstanding arrears were, but economists estimate them at about 1.5 billion US dollar.

"The fund has been attempting to help Sudan to become a regular member of the IMF ... regular in the sense that they can use its resources," he added.

Inflation has soared towards 150 per cent a year since Sudan's free market policies cut subsidies on basic commodities and floated the Sudanese pound.

The EC denied Sudan preferential tariffs given to other Third World countries.

Safety of aircraft from tyre failure needed

OTTAWA, July 17: Airliners need better protection from tyre failure, according to a report on a Canadian charter-jet crash that killed 261 people, mainly Muslim pilgrims, in Saudi Arabia two years ago, reports Reuters.

The crash occurred minutes after tyres and wheels failed during take-off from Jeddah Airport of a Canadian-owned McDonnell Douglas DC-8 aircraft carrying the pilgrims home from Saudi Arabia to Nigeria.

The July 11, 1991 crash, which killed 247 Nigerian pas-

sengers and 14 Canadian crew members, prompted recommendations in a report released here on Thursday.

Investigators said remnants of burning tyres started a fire within the main wheel wells, causing the plane to go out of control on take off.

It crashed short of the runway as the crew struggled to land and it exploded in a fireball.

The report was completed by Captain Omar Barayan of the presidency of Civil Aviation branch of the Saudi government

and released in Ottawa. He urged that aircraft have better measures to protect from tyre failures.

The report lists a number of causes related to the crash of the aircraft leased by Nationair, a Montreal charter company that has since gone out of business.

"Maintenance personnel were aware of the low tyre pressures but failed to rectify the faults," the report said. "The aircraft departed the ramp in an unairworthy condition."

day, say Western monitors.

OPEC's woes are compounded by the rejection by Kuwait of any quota at all after it failed to secure agreement to restore it to historical parity with the United Arab Emirates.

And a sluggish global economy means that seasonal demand for OPEC oil is unlikely to swing as high this northern winter as ministers had hoped. Stocks are reasonably full. Views differ on how effective OPEC will be.

"You will see that in an emergency OPEC reacts, says Oil Minister Alirio Parra of Venezuela.

OPEC "works better under pressure than when you dangle the golden apples of rising demand in front of it," Parra says.

Kuwait, however, is emphatic that it wants to sell as much as the UAE. Iraq has made clear it won't take any quota.

And Saudi Arabia has given no hint it is ready to oblige others who say that, since it took most of the market share which Iraq lost under the UN embargo, it should now cut disproportionately to make way for Iraq's return.

The Saudis have previously said it is unrealistic to try to turn back the clock to quota shares which prevailed before the Iraqis invaded Kuwait in August 1990.

Latin American leaders call for end to US ban on Cuba

SALVADOR DE BAHILA, Brazil, July 17: Latin American and Iberian leaders called for an end to the 30-year-old US embargo on communist Cuba Friday, the first such request by Spain, Portugal and their former Latin American colonies, reports AFP.

At the third annual summit of 19 Latin American and Iberian leaders, summiteers asked Cuban President Fidel Castro to begin the democratisation process. Some made the request during talks, others in statements to reporters.