

## Pak cotton crop under threat for 2nd yr

KARACHI, Sept 12: Pakistan's cotton crop is under threat for the second successive year as locusts swarm across much of the southern Sindh and parts of Punjab, experts and officials here said, reports AFP.

The country's main source of revenue suffered a setback last year due to devastating floods in autumn and a pest attack.

The country produced 9.33 million bales against the target of 12 million bales, showing a decline of about 25 per cent, officials here said.

The country's southern region bordering India is currently in the grip of a locust plague, which is being battled with the help of army and UN experts.

Farmers have urged the government to declare an emergency in the worst affected areas of Sindh province as the swarms reportedly drifted towards the Punjab.

A western agriculture expert told AFP Thursday that mid-September would be the worst time for a locust invasion as the maturing cotton dried before the expected harvest in late October through December.

"The plants will be totally vulnerable. September would be a very bad time," said the expert who did not want to be named.

The cotton crop in Pakistan is still recovering from last year's white fly virus attack.

"Some 200,000 to 300,000 hectares (500,000 to 740 million acres) of total 2.8 million (6.9 million acres) has already been lost to the white fly," the expert said.

Pakistan was planning a bumper cotton crop this year to offset the losses sustained last year, but the locust invasion could upset the plans, officials acknowledged.

Last year Pakistan earned 268.7 million dollar by exporting about eight million bales of cotton.

The focus of investment in



US President Bill Clinton addresses Texas officials gathered at the Texas Surplus Property Agency while Vice-President Al Gore (R) looks on Saturday. Clinton announced plans to streamline government and save billions of dollars. Later on while meeting the press, Clinton said that Israeli Prime Minister Yitzhak Rabin and the Chairman of the PLO Yasser Arafat would both be in Washington today to sign mutual recognition documents. — APP photo

## WB unveils \$ 5.5b plan for West Bank, Gaza

WASHINGTON, Sept 12:

Quick on the heels of the peace agreement between the Palestine Liberation Organisation (PLO) and Israel, the World Bank unveiled a \$5.5 billion dollar plan for the West Bank and Gaza, reports PTI.

Of this amount, three billion dollars is "conservatively estimated for the public sector over the next ten years, of which about 1.3 billion dollars is needed in the next five years," the Bank said.

Including the need for financing some recurrent expenditures during the early years, total external requirements are estimated at about 350 million dollars a year," it added.

The focus of investment in

the early years would be on the rehabilitation and upgrading of public infrastructure and services in water supply, sewerage, solid waste, road transport, electricity, education and health.

The priorities for the longer term include power generation, expansion of health, education and transport facilities, the modernisation of educational curriculum and the strengthening of universities.

Generating sustainable development in the occupied territories will also require substantial private capital flows, totalling about 2.5 billion dollars over the ten years period, it said.

Last week Iran's government announced a 50 per cent rise in telephone charges and bottled gas prices, part of free-market reforms to cut state subsidies for public services. It said then that no other major prices would be raised before March.

## Iran raises 50 pc passenger fares on trains

NICOSIA, Sept 12: Iran has announced an average 50 per cent rise in passenger fares on trains and 100 per cent on freight rates, a railway official was quoted as saying, reports Reuter.

The official was quoted by Tehran radio as saying on Saturday the price hikes would take effect on September 23.

The radio, monitored by the British Broadcasting Corporation, said first class express fares, will increase by 100 per cent, ordinary first class by 30 per cent, standard second class by 30 per cent and ordinary second class by 50 per cent.

Agreement on the 29.2 million US dollar IFAD loan has been signed in Rome by Indian Ambassador to Italy Kuldip Sahdev and IFAD President Fawzi M Al Sultan.

The project seeks to:

— Improve financial services to the rural poor by commercial banks.

— Make a large majority of villagers bankable clients.

— Promote savings mobilisation as basis for lending to rural

## Islamic Research Centre in Jeddah wins IDB award

JEDDAH, Sept 12: The Islamic Economic Research Centre of King Abdul Aziz University in Jeddah has won the prize of the Islamic Development Bank in Islamic economy for the year 1413H, the IDB announced recently, reports Xinhua.

The bank said the prize was awarded to the centre for its "pioneering and creative" services it has been rendering describing it as "the first and the most important centre of the Islamic world".

The bank said the centre has been endeavouring to promote Islamic economy as a scientific subject.

The IDB initiated in 1408H two special prizes to be awarded every year in the fields of Islamic economy and Islamic banking.

Starting this year, the IDB decided to grant only one prize alternately instead of giving the two prizes together.

Next year the prize will be given to excellence in the field of Islamic banking. It also raised the cash award from 15,000 US dollars to 30,000 US dollars.

During the past six years, eight prizes were given. They consisted of five for Islamic economy and three for Islamic banking.

## Asia's largest crockery near liquidation

CALCUTTA, Sept 12: The 74-year-old Bengal Pottery Ltd (BPL) — Asia's largest crockery unit is set to pass into history on September 14, 1993 when it goes into the hands of a liquidator, reports PTI.

Nearly 3,500 workers of the company would be thrown out of employment from September 15, although a special compensation package has been cleared for them by the central govt of India which had taken over the management of the unit 17 years ago.

Government apathy on the one hand and a militant trade unionism on the other hand, are believed to have split the door of a company that was founded by the renowned scientist and visionary, Acharya Prafulla Roy in 1919 as an answer to the fine British and German crockeries.

It is now with a British company, Royal Doulton that any scope or BPL's reincarnation lies.

The UK-based crockery company has already visited the crockery unit of BPL once and have shown interest in the unit although no concrete proposal have emerged at yet.

Opinion in banking circles is

divided as to why the 10 crore rupees needed to modernise and review BPL was never sanctioned by the govt which chose instead to pay 70 lakh rupees or wages every month to 42,000 idle workers at the three units of the company after it shut down operations in 1986.

However, liquidation is by no means some thing unique to BPL which has already been to the liquidator once in 1976.

After the company fell sick for the first time in 1930, Lala Charat Ram had bought the company which did well for sometime as after the second world war the flow of English and German crockeries which were BPL's only rival was reduced to a trickle.

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After the September 14 liquidation, the liabilities of the company at 150 crore rupees mostly due to the financial institutions and the banks would be frozen and if there are any buyers the company would be sold through a public auction.

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## Experimental rocket makes second flight in southern Mexico

WHITE SANDS MISSILE RANGE, (N.M.) Sept 12: For 66 seconds Saturday, hundreds of people on this southern New Mexico missile range gaped in awe as a small experimental rocket went through its maneuvers, reports AP.

The Delta Clipper-Experimental, a 42-foot (12.6-meter) prototype for a new generation of reusable spacecraft, climbed to about 300 feet (90 meter), hovered, moved laterally about 350 feet (105 meter), then made a vertical landing.

"My God, that's amazing," one spectator said quietly.

It was only the second vertical landing made by a space craft on Earth. The first came after the DC-X's maiden flight last month.

That test was closed to the public, but for Saturday's event hundreds of dignitaries, engineers and other were invited to watch. They watched silently as the ship rose into the air, and broke into cheers and applause as it settled gracefully back to Earth.

French champagne producers are going to lower once more their prices for the 1993 production at around 10 per cent, after having reduced their sale prices of more than 10 per cent already last year. This photo is a file dated October 87 and shows the labelling cellar of a French champagne producer in Reims. — AFP photo

## Japan will hypnotise world financial markets soon

LONDON, Sept 12: The world's financial markets will remain hypnotised by Japan next week, with the government preparing to unveil its economic package and speculation over an interest rate cut reaching fever pitch, economist say, reports Reuter.

Senior members from the Japanese ruling coalition will meet on Monday to discuss economic proposals, and details could be released on Thursday, according to a socialist party official.

Other stimulative steps are expected to be included in the package but economists say tax cuts are unlikely to feature.

"There will be nothing on tax reform this time," said Eric Fishwick, economist with the International Bank of Japan.

But many analysts say an Official Discount Rate (ODR) cut is on the cards, may be even before the package is announced.

"An ODR cut is likely soon after the package is announced,

government launched a 13.2 trillion yen stimulative plan, focused on the infrastructure.

On Friday, Economic Planning Agency (EPA) Minister Manae Kubota said Prime Minister Morihiro Hosokawa wants one trillion yen to improve the social infrastructure.

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"An ODR cut is likely soon after the package is announced,

but one can't rule out an imminent easing, even on Monday," said Yamachi's Richardson.

He added that the bond market has already discounted a half point cut in the 2.5 per cent ODR.

"A cut is imminent," said IBJ's Fishwick. "Hosokawa must have something to take to the table with Clinton."

Hosokawa will hold trade talks with President Clinton in New York at the end of September.

Elsewhere, the UK sees a welter of economic indicators released next week and all should show recovery on track.

"Next week's numbers will confirm recovery in the UK economy," said Paribas, London-based economist Amanda

Grantham-Hill. "The rebound is being led by domestic demand and increasing fed by domestic production," she added.

Forecasts centre on a 0.8 per cent rise in July's industrial production with manufacturing up 0.6 per cent.

Unemployment is expected to have remained flat in August, with retail sales up 0.2 per cent. The headline inflation rate is seen skulking at 1.5 per cent year-on-year.

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