Tropical timber producers reject conditional offer by temperate states

KUALA LUMPUR, Sept 26: Tropical countries have rejected a conditional offer by temperate countries to subject their forest management policies to international scrutiny ahead of talks for a new global timber pact, officials said yesterday, reports AFP.

"How can they impose conditions when we have agreed to undergo the same scrutiny," asked a spokesman for tropical timber producers, who are negotiating with consumers for a successor pact to the International Tropical Timber Agreement (ITTA).

Officials said the temperate countries agreed to allow global review of their forests to ensure they were sustainably managed on condition that the undertaking was outside the scope of the new pact and be done without a time frame.

"In our response, we said that their intention to commit themselves to sustainability is lacking in clarity and substantiveness," said the spokesman for the producers attending the ongoing 14th Commonwealth forestry conference here. The six-day conference ends Saturday.

Currently, only tropical forests, which account for 10 per cent of the international timber trade, come under international scrutiny.

Tropical timber producers are insisting that temperate and boreal forests undergo the same scrutiny in current negotiations for an agreement to replace the ITTA, administered by the Yokohama-based International Tropical Timber Organisation (ITTO).

ITTO comprises 23 producing and 27 consumer countries.The three largest consumers of tropical timber are Japan, the United States and their European Community while the biggest producers are Malaysia, Indonesia and Ivory Coast.

India allows trading with S Africa

NEW DELHI, Sept 26: India allowed businessmen on Saturday to begin trading with South Africa ahead of the formal lifting of economic sanctions, a senior foreign ministry officials said, reports Reuter.

"Indians can immediately start business with South Africans, S J Singh, the official in charge of the ministry's Africa desk, said. "A formal decision to lift sanctions is expected to be endorsed by the cabinet, probably next week."

India imposed trade and investment sanctions against South Africa 47 years ago and withdrew its ambassador from Pretoria in 1984 in protest against apartheid, the first country to do so.

African National Congress (ANC) President Nelson Mandela called for the lifting of economic sanctions against South Africa when he addressed the UN special committee against apartheid on Friday. The world swiftly complied.

An Indian government minister told Reuter last week that New Delhi proposed to lift sanctions against Pretoria before the end of September.

"What remains to be done now is procedural formalities," Singh said.

Minister of State for External Affairs Salman Khursheed, who made a rare private visit to South Africa this month, said New Delhi was prepared to establish diplomatic ties with Pretoria within six weeks.

He said India would set up air links with South Africa on October 2, the birthday of Indian leader Mahatma Gandhi, who led a campaign against racism in South Africa before his non-violent protests won India independence from Britain in 1947.

The ANC's chief representative in India, Mtutuzeli Mpehle, said on Saturday that Indian businessmen had shown a keen interest in links with South Africa's diamond and hotel industries." We expect major partnerships, he said.

India's share in the international market of cut and polished diamonds is around 40 per cent, much of the diamond business is in western Gujarat state, the original home of many South African Indians.

Striking truckers to surrender papers

NEW DELHI, Sept 26: As defiance grew to government attempts to force striking truckers back to work, owners of 1.8 million trucks decided Sunday to surrender their motor registration papers and declare their vehicles to be lying idle, reports AP.

"We have asked our members to turn in their registration papers by the end of this month to avoid paying fines," said S P Singh, spokesman for the All India Motor Transport Congress, the nation's biggest truckers union.

Sunday's decision came after Federal Transport Minister Jagdish Tytler insisted that truckers withdraw the strike before the government will negotiate with them on cutting road taxes.

MOU signed for networking among C'wealth trade bodies

A memorandum of understanding was signed between the Commonwealth Secretariat and the Chambers of Commerce and Industrial Associations of Commonwealth Countries at a conference held at Lancaster House, London on September 13-14, for networking among Commonwealth business organisations, reports BSS.

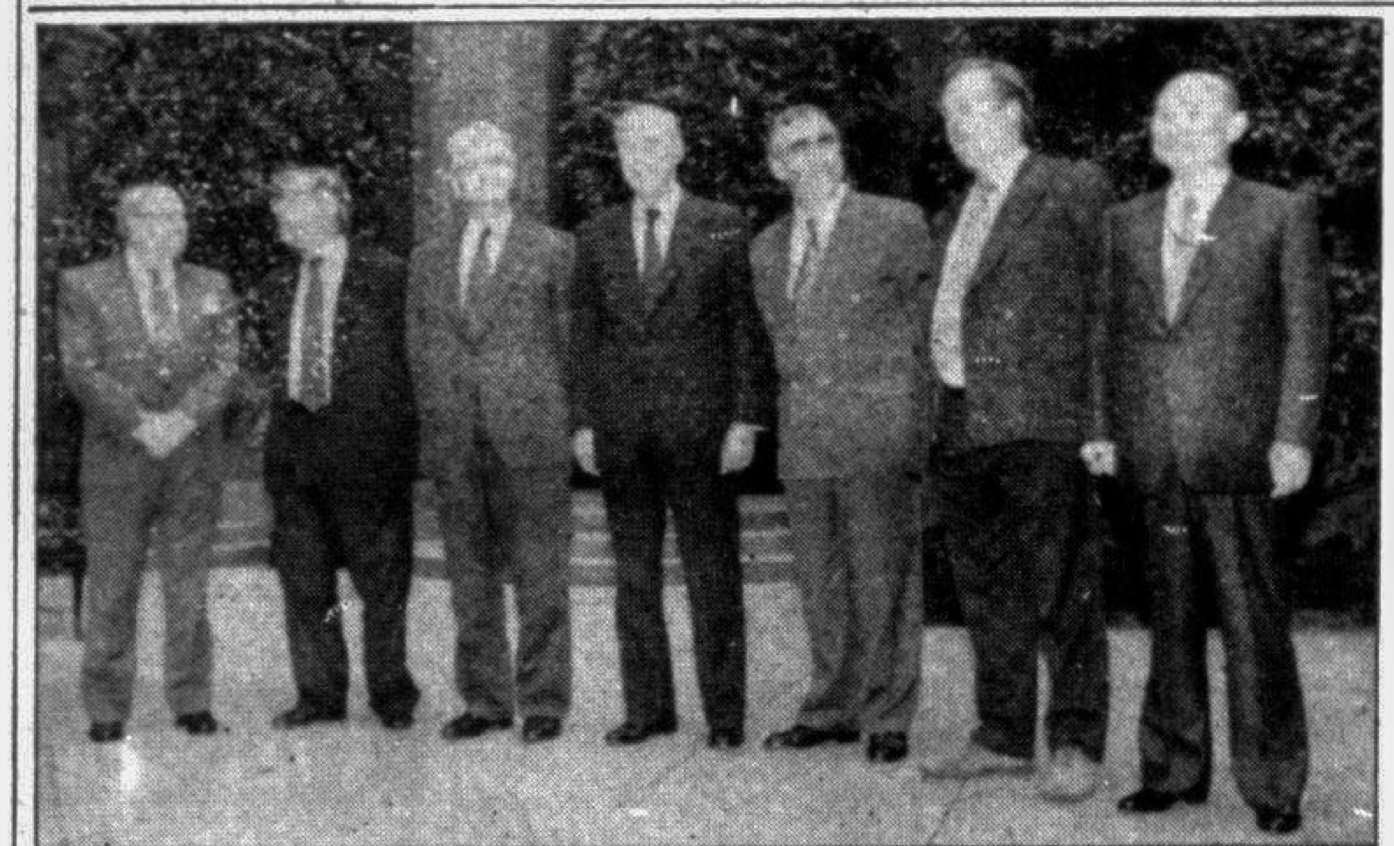
This memorandum was signed by the Commonwealth Secretariat in the light of the declaration of the Commonwealth heads of government meeting in Harare, Zimbabwe, in 1991 in order to establish a businessmen's forum to help promote trade, investment and transfer of technology within Commonwealth nations, says a press release of the Federation of Bangladesh Chambers of Commerce and Industry in Dhaka Sunday.

The heads of the national chambers of commerce and industrial associations of 42 Commonwealth countries participated in the round-table. Bangladesh was represented by Mahabubur Rahman, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

The Commonwealth Secretariat and the participating business leaders agreed that they would provide access to information on international trade, investment and transfer of technology, market research, trade facilitation, trade fairs, sales missions, commodity prices, exchange rates, national tender, shipping services, customs procedures, banking facilities, facilities relating to entrepreneurial development and other aspects relating to the promotion of trade, investment and transfer of technology among the member nations.

It was also agreed to provide all necessary facilities to visiting delegations to promote business opportunities, assist in the organisation of seminars and conferences, exchange their annual reports, other periodical publications, and list of exporters, importers, manufacturers, and constitute a coordinating committee which will meet appropriately to followup the decision of the round-table.

The round-table unanimously decided to form the first co-ordinating committee consisting of UK, Australia, Canada, Caribbean (CAIC), India, Malaysia, Papua New Guinea, Nigeria and Zimbabwe. The Association of British Chambers of Commerce (ABCC) will act as the co-ordinator.



The Finance Minister of the Group of Seven (G-7) countries pose for a group photograph before meeting at Blair House in Washington Saturday. The ministers are (L-R) Canada's Gilles Loiselle, Italy's Piero Barucci, France's Edmond Alphandery, US Treasury Secretary Lloyd Bentsen, Germany's Theo Waigel, Britain's Chancellor of the Exchequer Kenneth Clarke and Japan's Hirohisa Fujii. — AFP photo

UK firefighters may go on strike

LONDON, Sept 26: Britain's 57,000 firefighters decided on Saturday to vote for possible strike action on protest at government plans to suspend their wage formula, says Reuter.

Delegates of the Fire Brigades Union (FBU) voted 31,825 to 11,004 to begin balloting members from October 4 on whether to begin a series of one-day strikes from November 8 in what would be the first industrial action by firefighters for 15 years.

The firefighters are angry because their inflation-linked pay formula, worked out after a bitter seven-week strike in the late 1970s, is being set aside this year under limits imposed by the Conservative government for public sector workers.

The union has already rejected a promise by its employers, Britain's loeal authorities, that the pay formals will be restored next year.

Industrialised states support Yeltsin

WASHINGTON, Sept 26: The United States and its allies have issued a new statement of support for Boris Yeltsin, and may back it up with increased bilateral aid to help Russia move forward with free-market reforms, reports AP.

Finance ministers and central bank presidents from the world's seven richest countries — the United States, Japan, Germany, Britain, France, Canada and Italy — got a first-hand report on the latest constitutional crisis in Russia from Yeltsin's finance minister, Boris Fyodorov.

In a joint statement issued at the end of their meeting, the Western officials expressed "their very strong hope that the latest developments will help Russia achieve a decisive breakthrough onto the path of market reform."

US Treasury Secretary Lloyd Bentsen told reporters Fyodorov "knows what needs to be done and knows how to do it."

Bentsen said he hoped that Yeltsin's dissolution of Parliament and scheduling of elections in December "will create a new momentum for reform."

In their statement, the G-7 finance officials expressed their continued commitment to a 44 billion dollar aid package for Russia in April. But they made no joint pledge to accelerate financial assistance.

However, a US official, briefing reporters on condition of anonymity, said some G-7 members were likely to follow the lead of the United States in accelerating individual financial assistance to Russia in coming months.

The official noted that the Senate last week approved President Clinton's request for 2.5 billion dollar in Russian aid for next year and he said that so far 81 per cent of the 1.8 billion dollar package of US assistance Clinton promised Yeltsin has been delivered.

At the present time, the International Monetary Fund, which controls the biggest part of the assistance, has stopped funds flowing because Russia failed to meet its commitments for getting inflation under control and reducing its budget deficit.

West aims to control oil-rich Gulf region, says Iran

NICOSIA, Sept 26: Iran's navy commander said today Western military presence in the Gulf posed a serious threat to regional stability and was only aimed at controlling the oil-rich region, reports Reuter.

Rear Admiral Ali Shamkhani said Iran was opposed to conflicts in the region and would resist any "causes of tension and clashes" the presence of Westerners in the Persian Gulf, under whatever pretext, is a violation of international regulations and a serious threat to the security of the region and that of regional states, the Iranian news agency Irna quoted him as saying.

He said the two submarines which Iran bought from Russia would only be used for self defence."

Neighbouring Gulf Arab states have voiced concern over Iran's rearmament programme and its purchase of the submarines, which have arrived in Iran.

Western forces kept a presence in the Gulf following the defeat of Iraq in the Gulf War over its invasion of Kuwait.

Replicating 'East Asian miracle' depends on fundamental rights

WASHINGTON, Sept 26: The "East Asian miracle" — high growth, equitable distribution of the fruits of growth and dramatic reduction in poverty — can be replicated by other countries if they get their fundamental rights, a World Bank policy research report says here, according to PTI.

One of the reasons for the success of the East Asians was that they ignored the advice of the World Bank and other international institutions in several fields, the study says.

It contrasts the stunning success of the East Asians with the failure of the old Indian and Argentine models and says "the alternative bath of self- reliance has little to recommend it."

Some developing economies, such as Argentina and India, have restricted capital goods, imports to promote the growth of domestic machine-building industries. In these cases, however, domestic machinery generally falls short of international standards. Such machinery becomes yet another high-cost import substitute that inhibits exports."

How much electricity does Asia consume?

Growth in Electricity Consumption Per Capita (kWh)	1980	1985	1986	1987	1988	1989	1990
Afghanistan, Rep. of	-	47	49	52	45	43	47
Bangladesh	16	28	32	33	35	43	42
Bhutan	-	9	11	13	44	87	-
Cambodia	8	9	10	12	11	13	12
China, People's Rep of	264	338	366	394	431	454	479
Cook Islands	507	510	516	559	571	601	631
Fiji	320	409	436	431	448	477	504
Hong Kong	2,178	3,057	3,369	3,707	3,939	4,210	4,435
India	122	164	177	186	201	211	223
Indonesia	44	77	88	99	114	131	156
Kiribati	-	74	82	77	79	81	82
Korea, Republic of	861	1,260	1,397	1,589	1,820	1,990	2,255
Lao PDR	-	35	31	31	39	44	44
Malaysia	579	763	786	828	887	960	1,075
Maldives	11	49	60	74	81	86	103
Marshall Islands	-	-	449	760	809	883	931
Micronesia, Fed. States of	-	-	-	-	507	533	560
Mongolia	725	1,062	1,138	1,189	1,201	1,164	1,065
Myanmar	26	39	41	41	36	40	45
Nepal	11	17	19	22	25	26	28
Pakistan	125	180	197	217	241	246	261
Papua New Guinea	136	134	141	149	154	152	145
Philippines	263	268	265	286	314	327	331
Singapore	2,678	3,557	3,760	4,164	4,513	4,788	5,238
Solomon Islands	-	68	71	69	73	72	73
Shri Lanka	94	130	138	138	143	140	154
Taipei, China	2,156	2,624	2,929	3,209	3,449	3,677	3,864
Thailand	272	383	398	450	503	565	655
Tonga	97	129	138	152	172	184	203
Vanuatu	-	148	142	128	148	154	168
Viet Nam, SR	-	65	68	74	79	88	-
Western Samoa	156	187	194	209	227	233	250
AVERAGE	212	276	299	323	352	373	398

Population Access to Electricity (%) - 1990 [a]	
Afghanistan	6
Bangladesh	12
Bhutan	10
Cambodia	33
China, People's Rep. of	66
Cook Islands	75
Fiji	45
Hong Kong	100
India [b]	80
Indonesia	24
Kiribati	29
Korea, Republic of	100
Lao, PDR	12
Malaysia	82
Maldives	77
Marshall Islands	50
Micronesia, Fed. States of	30
Mongolia	n.a
Myanmar	6
Nepal	9
Pakistan	37
Papua New Guinea	21
Philippines	61
Singapore	100
Solomon Islands	15
Shri Lanka	29
Taipei,China	100
Thailand	71
Tonga	80
Vanuatu	n.a.
Viet Nam, SR	n.a.
Western Samoa	75

a Electrified households as a percentage of total households.
b Electrified villages as a percentage of total villages.

Source : Electric Utilities Databook for the Asian and Pacific Region published by The Asian Development Bank

Secretary General of the Organisation of Petroleum Exporting Countries (OPEC) Dr Subroto (L) of Indonesia speaks with Deputy Secretary General Ramzi Salman of Iraq at the opening of the OPEC ministerial meeting in Geneva Saturday. The meeting will focus on pricing and production strategies. — AFP photo

Russian political crisis shakes world commodity markets over the week

LONDON, Sept 26: The world commodity markets were shaken by the crisis in Russia this week after Russian President Boris Yeltsin dissolved the Russian parliament and it protested that he was staging a coup, reports AFP.

The prices of key commodities produced in Russia, gold, nickel and aluminium, rose sharply Tuesday eased Wednesday as tension fell, and rose again Friday as fears grew of violence at the parliament building.

The conflict in Russia and the threat of disruptions to Russian oil supplies boosted the price of Brent North Sea crude oil, a major indicator of oil prices.

However, prices fell back later in the week, depressed by the likelihood of an inconclusive outcome to the OPEC meeting in Geneva to fix the production ceiling for the fourth quarter.

Among the softgoods, dealers were generally in a positive mood.

Coffee prices rose after an early bout of profit-taking, carried higher by the coffee producers' stock-withholding scheme agreement which was to be approved at the end of the week in Brasilia, capital of Brazil.

Cocoa prices, were also up, rising by another five per cent, to their highest level since June 1990, thanks to reports of poor harvests in West Africa and the agreement reached last week on the sell-off of the International Cocoa Organisation stocks.

Gold: Fluctuating. The price of gold swung wildly over the week, surging as the political crisis erupted in Russia Tuesday and falling as tensions eased on Wednesday, before rising at the end of the week on fresh fears of violence.

The fears of disruptions to mining production in Russia, the world's fourth largest gold producer, accounting for 10 per cent of world gold output, encouraged investors to turn to gold as a safe haven.

Platinum: Slightly higher. Platinum prices rose in line with gold, boosted by fears of disruptions to Russian exports, the second largest in the world accounting for 20 per cent of world supplies.

Demand for the metal, more than half of which is used in the manufacture of catalytic converters, was shaken briefly by the news that Japanese car-maker Toyota had developed a new catalytic converter based on palladium and not platinum.

However, the market quickly put the news in perspective, noting that the new device, to be used in some compact-class cars from January, will have limited use because of high costs and low efficiency.

Silver: Higher after weak start. The price of silver fell at the start of the week, depressed by the preference of the market for gold and platinum, but recovered later as dealers said the falls had been exaggerated.

Copper: Steady after fall last week. The copper price steadied in trading on the London Metal Exchange (LME) after the fall it experienced last week, when the metal lost 116 dollar in Friday trading.

This week, prices slipped slightly in early trading, but then steadied and rose again to end the week only slightly down on the previous Friday's close.

On the LME, computer stocks jumped by 20,000 tonnes to 57,875 tonnes, their highest level since April 1978.

Lead: Lower. The lead price fell slightly at the end of the week, depressed by technical factors, though the metal's fundamental position remained largely unchanged over the week, dealers said.

On the LME, lead stocks rose by 4,200 tonnes to a record 287,650 tonnes.

Zinc: Unchanged. Zinc prices were largely unchanged over the course of the week, rising slightly on hopes of an announcement of producer cutbacks but falling back again when the cuts failed to materialise.

EC zinc producers met in Brussels Tuesday to discuss possible production closure programmes and review trade with the former Soviet Union, sending zinc prices slightly higher.

Aluminium: Lower but steadying. Aluminium prices slipped at the start of the week but steadied after the news of political unrest in Russia, one of the major aluminium producing countries. The early price-fall came as expected cuts in production failed to materialise.

Reports from Brussels said EC officials had arranged multilateral talks in Moscow in the second half of October to discuss the problem of cheap Russain exports to Europe but this failed to support prices.

However, prices studied from mid-week after the news of the unrest in Russia.

Nickel: Higher after hitting new low. Prices fell at the start of the week, hitting a fresh six-year low, depressed by a rise in stocks and sluggish consumption, but they rallied on the Russian crisis and rumoured producer cutbacks.

Prices fell after a rise in LME stocks of nickel, up to new record level, equivalent to 18 weeks of consumption, as against the seven weeks which is considered normal.

Tin: Higher. Tin prices, which have lost 25 per cent of their value since May and 40 per cent since the same time last year, slipped on Monday but then bounced back over the week on following heavy buying in Kuala Lumpur. Prices fell Monday to a 20-year low, depressed by fears over mounting world tin stocks, but rallied through the week.

Analysts expect demand for tin to be flat at best this year at around 178,000 tonnes, leaving intact the stocks overhang of around 40,000 tonnes.

Coffee: Higher after poor start. The price of coffee fell at the start of the week on profit-taking and estimates that the Brazilian harvest might be better than previously estimated.

However, prices rose again as representatives of the members countries of the Association of Coffee Producing Countries met in Brasilia, capital of Brazil, to seal plans to withhold 20 per cent of coffee exports from October 1. At this stage, however, uncertainty over how effectively the accord would be implemented limited the rise in prices.

Cocoa: Higher. The price of cocoa continued to rise, reaching its highest level since June 1990, boosted by warnings of poor harvest in west Africa and estimates of a deficit in world production 1993/94.

The market was also pleased by the accord reached the previous weekend at the International Cocoa Organisation (ICCO) in London on the sale of 230,000 tonnes of buffer stocks.

In Ghana, the strike by workers at the Ghana Cocoa Board went into its fifth week with analysts saying the stocks held in warehouses during the strike had deteriorated and would not be good enough to export.

Sugar: Uneven. Sugar prices traded unevenly on rumours that Brazil might stop exports and declare "force majeur" because of drought in northern part of Brazil.

Cuba declared "force majeur" in June following damage caused to its crops by a hurricane. The declaration allowed its delay of up to 45 days in making due deliveries to allow planters to assess the situation.

However, the failure of Brazil to make its move allowed prices to rise again at the end of the week.

Vegetable oils: Uneven. The prices of vegetable oils leapt by five per cent on the London market, boosted by a rise in Chicago on warnings of frosts in the US Midwest and a tightening of US stocks.

According to a report from the US Department of Agriculture, soya oil stocks fell in August to 778,500 tonnes from 927,000 the month before.

The United States, the world's largest soya producer, accounts for almost half of the world's soya production.

Crude oil: Uneven. The price of oil rose briefly at the start of the week, boosted by fears of a disruption to Russian exports but falling back when supplies continued as normal.

The downward trend was confirmed by the opening of the OPEC meeting in Geneva. Remarks by Saudi Arabia, the leading OPEC producer, suggesting that it would not agree to cut its output below eight million barrels a day depressed the dealers.

Rubber: Lower. The price of natural rubber feel to its lowest level since May, affected by the cash-strapped International Natural Rubber Organisation's inability to support the market.

The market was also hit by gloomy news from the car market, the main outlet for the rubber industry.

The European Car Manufacturers Association saw car registrations fall 2.6 per cent in the EC in August from the level in August 1992.

Grain: Slightly higher. The prices of wheat and barley fell early in the week following the outbreak of political crisis in Moscow, with dealers fearing that the stand-off might lead to a disruption in Russian grain imports.

However the fears were calmed later in the week as tensions eased in Moscow, pushing prices higher again.

Tea: Steady. The price of tea was steady at the weekly London tea auctions, unchanged at 200 pence/kilo for higher grade and 93 pence/kilo for lower grade, but up by one pence to 113 pence/kilo for middle grade tea.

Despite the floods suffered in Assam, the main Indian tea-producing region, the country's tea production rose to 355 million kilos in the first seven months of the year, up by 29.4 million kilos on production at the same stage last year.

India is expected to produce 742 million kilos of tea in 1993, back to the same level as in 1991, after a collapse to 704 million in 1992.

Cotton: Slightly lower. The price of cotton, which rose last week because of the downward revision in the US Department of Agriculture's estimate of US production, fell back again this week on profit-taking.

The absence of progress in negotiations between the Clinton administration and China over its Most Favoured Nation trading status also affected the market.

Without agreement on the issue, dealers fear a reduction in Chinese imports.

Wool: Steady. After falling the week before, wool prices firmed slightly but the lack of industrial demand and threats of a sell-off of the New Zealand and Australian wool stocks limited the gains.