

**Scientists say  
world faces  
food shortage**

WASHINGTON, May 27: World food production may need to triple to feed the growing population, and a pair of scientists say mankind may lack the ability to raise crops on that scale, reports AP.

"A business-as-usual scenario points to looming shortages of food," said Massachusetts Institute of Technology Professor Henry Kendall, a Nobel winner, and David Pimentel, Cornell professor of insect ecology and agricultural sciences. Their report was sponsored by the Union of Concerned Scientists.

Under the middle of three UN estimates of growth, the population will double to more than 10 billion by 2050. In this case, the authors said, food production would have to triple. That, they write, is unrealistic.

"The human race now appears to be getting close to the limits of global food productive capacity based on present technologies, the scientists said.

In an interview, Kendall said that a wide spectrum of agricultural experts "are desperately worried about the food problem."

**China, Russia call for expanded  
bilateral economic, trade ties**

BEIJING, May 27: The premiers of Russia and China called here today for expanded bilateral economic and trade ties, saying current levels of cooperation were falling far short of their vast potential, reports AFP.

During more than two hours of talks, visiting Russian Prime Minister Viktor Chernomyrdin and his Chinese counterpart Li Peng agreed that both sides needed to explore new avenues of cooperation to boost the development of trade links, especially across their common border.

According to foreign ministry spokesman Wu Jianmin, Li told the Russian premier that economic and trade relations had witnessed steady progress in recent years, pointing to a 31 per cent jump in bilateral trade volume last year to 7.7 billion dollars.

That figure is far higher than the highest figure recorded in trade between China and the former Soviet Union, Li said.

However, he added that the

"president level is still far from desired and urged the swifter development of economic ties, especially between major Chinese and Russian firms.

Chernomyrdin arrived here Thursday for a four-day official visit — the first by a Russian premier since the collapse of the Soviet Union in 1991 — aimed at resolving bilateral trade problems and expanding cooperation between the giant neighbours.

Following their talks, the premiers signed seven agreements, including accords on a system for administering their 4,000 kms (2,500 miles) border, the avoidance of double taxation, marine transport, and economic, scientific and technological cooperation.

During their meeting, both men stressed the importance of improving transport links to support the development of trade ties, calling for railways on both sides of their eastern border to be connected.

Describing the signing of the seven agreements as a

"concrete manifestation of friendly bilateral relations," Chernomyrdin said the accord on administering the Sino-Russian frontier paved the way for "a border of peace, friendship and cooperation."

Moscow has repeatedly expressed concerns over the number of Chinese crossing the Sino-Russian border and announced new visa restrictions for Chinese nationals earlier this year.

The Russian side has also complained about the poor quality of Chinese imports and high Chinese tariffs for Russian goods.

"So long as both sides adopt a positive attitude and improve macro regulations these problems will be resolved gradually," Li told his counterpart.

The two sides also agreed to develop cooperation in the field of military technology, although the foreign ministry spokesman stressed that the scope for cooperation was slight.

"China's defence budget is

very small, so what we can do in this field is very limited," Wu said.

The country's defence budget for 1994 is estimated at six billion dollars but western experts say the actual sum is far greater.

The two premiers also discussed the need to move away from barter trade, which currently accounts for some 70 per cent of bilateral transactions.

"Both sides agreed to develop trade by gradually introducing the use of convertible currency," Wu said.

Li and Chernomyrdin both emphasised that Sino-Russian relations were a foreign policy priority for Beijing and Moscow, and that friendly relations were essential to regional peace and stability.

Chernomyrdin was scheduled to hold talks with President Jiang Zemin later in the day before leaving for the eastern city of Shanghai. The Russian premier will also visit the northeastern city of Dalian before returning home.



The visiting Vietnamese Foreign Minister Nguyen Manh Cam called on President Abdur Rahman Biswas at Bangabhaban on Thursday. — PID photo

**Business circle praises Mandela's  
reconstruction, dev programmes**

JOHANNESBURG, May 27: Business, labour and the media yesterday hailed President Nelson Mandela's speech to parliament in which he launched an attack on poverty but remained committed to fiscal discipline, reports AFP.

"Encouraging and reassuring," was the verdict of the South African Chamber of Business (SACOB), which represents the bulk of the country's large companies.

A SACOB spokesman also said business was more than willing to support Mandela's Reconstruction and Development Programme (RDP) which aims to attack the backlogs in black areas created by apartheid.

Dealers said the market had reacted positively, especially to the re-appointment of central Reserve Bank governor Chris Stals.

Market analysts also said the speech would give confidence to overseas investors who have been delaying their entry into South Africa until their was clarity on future economic policy.

Mandela focused on the RDP in his state of the nation address to parliament in Cape Town on Tuesday, ending his speech with an appeal to all South Africans: "Let us get down to work..."

Mandela set himself a target of 100 days to address "major areas of desperate need" with projects "under the direct supervision of the president."

He listed these as free medical care in state hospitals for pregnant women and children under six, a feeding scheme in primary schools, the electrification of 350,000 homes during the current fiscal year, a campaign to rebuild townships, and efforts at job creation and training.

Mandela also committed the government to "overall financial stability," and limits on spending, a promise praised by business.

The Afrikaanse Handels Instituut (AHI), which groups mainly African-speaking business leaders, welcomed Mandela's commitment to monetary and fiscal discipline, saying the economic priorities he

had set out formed the basis of greater confidence and stability in the economy.

South Africa's largest labour federation, meanwhile, the Congress of South African Trade Unions (COSATU) said in a statement that Mandela's speech had sent an "electric wave of hope around South Africa."

"It was truly the speech of a people's president, reflecting his concern first and foremost for the ordinary people of this land," COSATU said.

The media also heaped praise on Mandela Wednesday, with Johannesburg's financial newspaper Business Day terming the speech an "inspired, positive and attainable vision."

The Star newspaper called Mandela's address "romantic and wonderfully unifying."

In an editorial, the Cape Times newspaper termed Mandela's speech "appropriately positive and hopeful and well-calculated to inspire confidence in the fiscal policies of his government of national unity."

**Pakistan's forex  
reserves reach  
record \$ 1.99 b**

KARACHI, Pakistan, May 27: The State (Central) Bank of Pakistan said foreign exchange reserves rose to 1.99 billion dollar on May 19, from 1.91 billion dollar on May 12, the highest level since hitting 1.97 billion dollar on April 28, reports Reuter.

The bank gave no reason for the rise.

It said it also held gold coins and bullion worth 667 million dollars.

The reserves include 465 million dollars in cash and short-term securities held abroad, 1.52 billion dollar in foreign exchange within Pakistan and 3.6 million dollar special drawing rights held with the International Monetary Fund.

**Malaysia lauds  
US decision to  
renew China's  
MFN status**

KUALA LUMPUR, May 27: Malaysia lauded the US decision to renew China's most-favoured-nation (MFN) status against the wishes of human rights activists, saying today that the decision recognized Asia's growing clout, reports AFP.

"We are very happy for China," Foreign Minister Abdullah Badawi said of the MFN decision, announced Thursday by President Bill Clinton, which also abandoned a controversial US policy of linking trade and human rights.

Abdullah said the decision would give China more influence as a leading Asian economic power and end worries about Washington's commitment to trade in the region.

But he warned regional businesses involved in China that they would now have to work harder as US companies could be expected to attack the Chinese market more vigorously.

"American companies have always been interested in China and I think they'll be growing in a bigger, 'bigger way,'" Abdullah said.

"You cannot expect the playground to be laid in the way most convenient to US. No place is so favourable that you can do nothing and hope to gain everything."

**Air India ground  
staff on strike**

BOMBAY, May 27: Air India's ground staff, including ticket issuers, have gone on strike for higher wages, disrupting several international flights out of Bombay, an airline spokesman said today, reports Reuter.

The spokesman for the state-run airline said flights to London, Abu Dhabi, Frankfurt, Jeddah and Muscat were cancelled on Thursday night because of the strike.

Three other flights — to Singapore, Nairobi and London — were rescheduled for today, he said. He had no comment on today's scheduled flights.

The strike was the latest in a series of labour disputes involving Air India staff, including pilots.

**Asian stock markets close  
mostly higher**

HONG KONG, May 27: Asian stock markets closed mostly higher Friday, with both the US dollar and share prices rising in Tokyo, reports AP.

Tokyo's 225-issue Nikkei Stock Average gained 281.36 points, or 1.37 per cent, to 20,777.16, its highest finish this year. On Thursday, the average fell 167.83 points, or 0.81 per cent, closing at 20,495.80.

The Tokyo Stock Price Index of all issues listed on the first section was up 19.78 points, or 1.20 per cent, to 1,670.76.

Meanwhile, the dollar finished at 104.53 yen, down slightly from its open at 104.55 yen but up 0.38 yen from its previous close in Tokyo.

In Hong Kong, share prices closed mixed after profit-taking

eroded early gains.

WELLINGTON: New Zealand share prices closed moderately higher in thin trading. The NZSE-40 Capital Index rose 8.88 points to 2,148.59.

TAIPEI: Share prices closed lower on profit-taking. The market's Weighted Index fell 45.59 points to 5,806.77 points after Thursday's 77-point gain.

MANILA: Share prices closed lower in moderate trading as investors took profits. The Philippines' unified composite index of 31 selected issues fell 10.07 points to 2,907.00 after Thursday's 38-point rise.

SYDNEY: Australian share prices closed slightly higher after an afternoon rally, which was prompted by a stronger Tokyo stock market and increased demand from foreign

investors. The All Ordinaries index of share prices rose 5.3 points to 2,102.2.

SEOUL: Share prices closed higher despite some profit-taking. The Korea Composite Stock Price Index rose 3.10 points to 953.86.

SINGAPORE: Share prices closed higher on bargain-hunting. The 30-share Straits Times Industrials (STI) Index rose 8.75 points to 2,323.95.

KUALA LUMPUR: Malaysian share prices closed slightly higher in light trading. The Kuala Lumpur Stock Exchange's Composite Index rose 3.06 points to 1,000.11.

BANGKOK: Thai share prices closed higher in active trading, boosted by the buying of bank stocks. The Stock Exchange of Thailand (SET) index rose 27.55 points to 1,383.57.

**DSE price index  
rises by 14.30  
points in 2 days**

Though the country's bourse, Dhaka Stock Exchange, operated only for two days after a long break of five-day government holiday, the presence of foreign buyers and the activity of enthusiastic local buyers pushed DSE All Share Price Index 14.30 points up, reports BSS.

However, the volume of shares which changed hands was thin as the investors and market operators are yet to join the activity after ending their holidays.

The brokers at DSE apprehending a surge in the trading in the Dhaka Stock Exchange in the next week which suffered prolonged sluggish trend due to the absence of foreign investors.

A broker said the market would be more active with big investors taking part in the trading next week unless there is any political or other major disturbances.

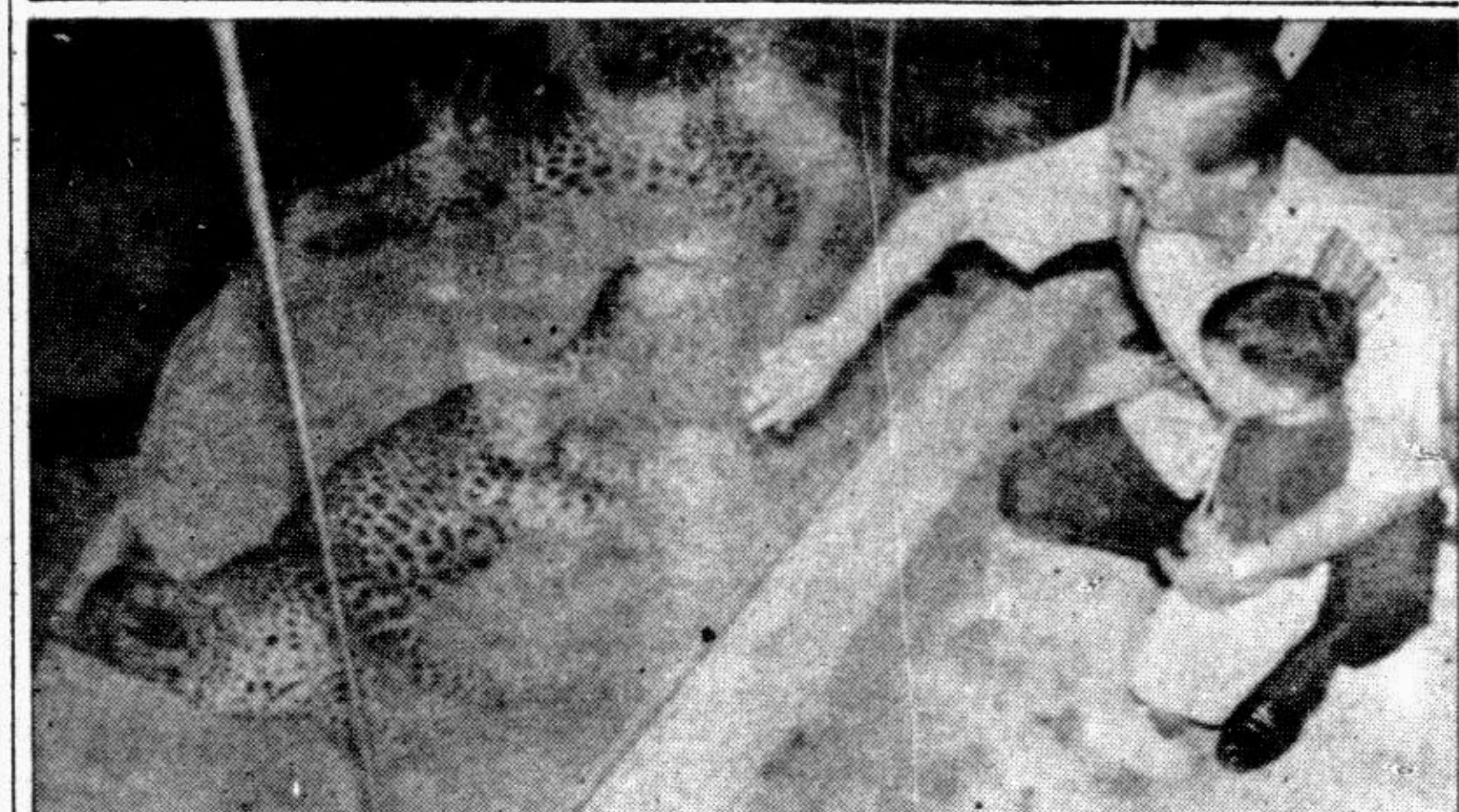
**Japan to suspend  
imports of  
Thai rice**

TOKYO, May 27: Japan will suspend imports of long-grain Thai rice which were begun following poor harvests here because of bad weather last year, a news report said yesterday, reports AFP.

The Japanese governments food agency plans to stop sales of Thai rice to wholesalers at the end of August, Kyodo news service quoted officials as saying.

Thai rice is reportedly not popular among Japanese consumers because of its taste, different from Japanese rice.

Japan's rice prices of Thai rice since late last year have reached 570,000 tonnes, against its total rice imports of 1.7 million tonnes in the same period, officials said.



Singapore Prime Minister Goh Chok Tong shows to three-year-old William Yeo, the youngest son of George Yeo, Minister for Information and the Arts, leopards Thursday after officially opening the night safari park. The 40-hectare park which cost \$ 3.9m is first of its kind in the world. — AFP photo

**Clinton's decision on China trade  
relieves uncertainty for US firms**

NEW YORK, May 27: For Jeff Block and thousands of other executives at companies across the country, President Clinton's decision Thursday to maintain low-tariff status on imports from China is bringing relief from months of wrenching uncertainty, reports AP.

Block's American Pacific Enterprises Inc., a Columbus, Ohio-based textile marketer, has prospered by selling low-cost, high-quality bed quilts and other Chinese-made goods to US consumers. But for months a cloud hung over the company: the threat that the Clinton administration would find Beijing deficient on human rights, sharply raise tariffs and spark a trade war.

Now, the firm can go ahead with investment plans to expand beyond its 50-employee operation in Shanghai. American Pacific can continue to sell 100 quilts that would cost 600 dollars to 1,000 dollars if made in the United States, a price tag most American would consider too expensive.

"We've had the feeling that this was going to be resolved," said Block, who heads production for the family-owned company, referring to China's most-favoured-nation status, or MFN. "There was always some uncertainty. But to us, (MFN renewal) was the only intelligent option available."

With MFN, which is ex-

tended to most countries, Chinese goods sold in the United States are subject to tariffs averaging less than 10 per cent. Over the past 15 years, that's allowed the two countries to become key trading partners, providing a windfall in cheap consumer goods for Americans and making this country China's top export market.

Last year, China exported to the United States 31.53 billion worth of mostly light-industrial products — such as footwear, textiles, toys and low-end electronics — an increase of 23 per cent from 1992. American companies, meanwhile sold 8.77 billion worth of goods to China, up 18 per cent.

Beijing had indicated it would retaliate against any move by Washington to link trade and human rights. That could have shut US companies out of one of the largest and fastest-growing markets. China's economic growth has averaged 10 per cent a year over the past decade.

Clinton's decision Thursday to delink trade and human rights issues appears to remove permanently the most serious threat to stable commercial relations between two of the world's biggest economies.

Easing of tensions between the two countries should yield a big expansion of investment

and sales opportunities in China for American companies, economists and trade experts say.

"You will see relatively more US firms making commitments in China and American companies winning contracts in China that would have otherwise gone to their foreign rivals," said R K Morris, who oversees international trade policy for the National Association of manufacturers in Washington.

"We've preserved access to this huge and important market," he added. "The political risk associated with US policy has been dramatically diminished. One problem of US competitiveness has been eliminated."

Added Nicholas Lardy, a University of Washington economist who studies China: "For many Fortune 100 companies thinking about making investments, the potential for Chinese retaliation if MFN was lost was a major calculation."

Even while the MFN question wasn't resolved, US firms last year signed contracts to invest 6.81 billion in China, more than double the amount pledged in 1992, reflecting the intense interest in China's booming economy. Still, America accounts for less than 10 per cent of all foreign investment in China.

"China is going to import 1.1 trillion worth of capital goods by the end of the decade," said Lardy. "The US has a chance to capture a significant portion of that. Exports to China would continue to be our most rapidly growing market."

Clinton's decision also is good news for consumers, who will continue to enjoy low prices for clothing, toys and other goods for which China — the world's low-cost producer — has become a key supplier to US markets.

**China welcomes  
US decision**

Another report adds: Beijing on Friday welcomed President Clinton's decision to no longer link trade to China with human rights as an important step towards better Sino-US relations.

American businessmen in China also elaborated, saying Clinton's decision was a brave move that would let them focus on tapping the world's fastest growing economy.

Clinton on Thursday renewed most-favoured-nation status for China, granting the lowest possible US tariffs to Chinese goods, and said there would be no link between future MFN renewals and human rights.

It was a retreat from last year, when Clinton said that

China must show "overall significant" human rights progress to win MFN renewal this year.

In a statement, China's Foreign Ministry said Clinton's decision would pave the way for better trade cooperation and relations between Washington and Beijing.

But it urged Clinton to lift existing US trade sanctions on China, mostly bans of high-tech equipment that were imposed after the Chinese army assaulted protesters at Tiananmen Square in 1989.

Human rights campaigners were incensed at Clinton's decision, saying Beijing's human rights record was worse not better than when Clinton linked it to MFN renewal last year.

"Clinton has left his administration looking vacillating and hypocritical, while the Chinese leadership, by contrast, has emerged as hard-nosed, uncompromising and victorious," said Sidney Jones, executive director of Human Rights Watch/Asia, based in New York.

For five years, MFN renewal for China had been the basis of an annual battle in Washington, forcing American businessmen to lobby hard for its renewal. So on Friday, businessmen breathed a sigh of relief.

"It means I won't have to spend one-third to one-half of

my time each year trying to get MFN renewed... Time I would rather have spent improving relations with my Chinese partners," said Phil Carmichael, president of the American Chamber of Commerce in Beijing.

Beijing had hinted at retaliatory action if Clinton revoked MFN, which would have jeopardized billions of dollars in trade and thousands of American and Chinese jobs.

Chinese dissidents also welcomed Clinton's decision, saying smooth Chinese-US contacts would do more in the long run to improve human rights in China than using trade sanctions.

"The United States had good intentions in using MFN to try to improve human rights and we're grateful. But my friends and I believe that we Chinese have to do more ourselves," said Lin Xinshu, a pro-democracy advocate in southeast China.

Professor and dissident Ding Ziling also welcomed Clinton's decision, saying the MFN policy had achieved only limited human rights improvements.

"On the surface it has got better, they have released a few political prisoners and let others travel abroad... But this is not a fundamental change," she said.

**BCCI liquidators win  
court victory in London**

LONDON, May 27: The liquidators of the Bank of Credit and Commerce International (BCCI), which was forcibly closed in 1991, won a court victory in London on Wednesday enabling them to move forward with their biggest single legal claim, reports Reuter.

The British High Court gave its go-ahead for a 10.5 billion dollar law suit filed in 1992 by liquidators against a top Saudi banker, Sheikh Khalid Salim Bin Mahfouz, Saudi Arabia's National Commerce Bank (NCB) and a Pakistani banker, Haroon Rashid Kahlon, to proceed.

The three dependants had tried for over a year to get the court to throw out the suit before formal hearings even began.

In July 1991 banking regulators shut down the operations in nearly 70 countries of BCCI which is a majority-owned by Abu Dhabi, after the Bank of England discovered massive fraud.

The liquidators say BCCI carried on business from 1985 with intent to defraud creditors or for other fraudulent purposes, and with the knowing participation or assistance of Mahfouz, the NCB and Kahlon.

They have filed numerous law suits, but the 10.5 billion dollar claim is the biggest and meant to fill most of the gap in 12 billion dollar in missing assets discovered by investigators after BCCI's collapse.

**Delhi's decision  
to exempt duties  
from imported  
sugar slated**

NEW DELHI, May 27: Indian traders on Thursday slammed the government's decision to exempt imported sugar from duties, saying it promoted unequal competition and a further slump in production, reports AFP.

The Indian Sugar Mills Association (ISMA) urged the government to impose duties, limit imports to 500,000 tonnes and to revise prices of both indigenous and foreign sugar.

"While imports may be a short-term expedient (to meet shortages), it would be a pity of India, basically in agro-base country, is relegated to the position of a regular sugar importer," ISMA chief V K Goel told reporters.

Goel called for an increase in the prices of locally-produced sugar, saying the "ridiculously low" level set by the government did not offset production costs.

"If the sugar prices are artificially pushed to lower economic levels, output may not keep pace with the requirement and uneconomic working would cause a decline in production," he warned.

India decided to import sugar to control prices after domestic production fell by a million tonnes from its target this year to about 10.6 million tonnes.

**Chile privatises  
airline**

SANTIAGO, May 27: The government on Thursday completed the privatization of LAN-Chile, the largest Chilean airline, by selling 23.82 per cent of the stock it still retained in the company, reports AP.

LAN said Enrique Cueto, a private Chilean investor who already owned 21.47 per cent of LAN-Chile, paid 10.7 million dollar for the stock by the government.

LAN was the first state company earmarked for nationalisation by the two-month-old government of President Eduardo Frei.

The others are the shipping company Empemar, a subsidiary Trans Container, and a power company supply a large northern area.