

## BRIEFS

**SEOUL, Mar 12:** Mongolia and Kazakhstan are expected to be added to the list of 12 countries from which South Korea will recruit industrial trainees.

South Korea hires such trainees mostly from low paying third world countries to help ease its growing manpower shortages for labour intensive, manual jobs.

Such trainees are in great need, and the Korean Federation of Small Businesses has come up with a plan to hire 20,000 more beginning in July.

Federation officials said their plan was expected to be approved by the government.

The 12 countries that currently send workers to South Korea are China, the Philippines, Vietnam, Myanmar, Bangladesh, Pakistan, Sri Lanka, Indonesia, Nepal, Iran, Thailand and Uzbekistan.

**SYDNEY, Australia:** National Foods Ltd. said its juice and fruit products subsidiary, Sunburst/Foods Ltd., has entered into a joint venture with a subsidiary of the Charoen Pokphand Group (CP) to market its juice products in Thailand.

The joint venture will initially support Sunburst products from Australia. Sunburst will provide marketing and product development support and CP the local infrastructure and related support functions.

In the longer term the joint venture is planning to establish a local manufacturing base in Thailand.

CP is one of Thailand's largest companies and one of the largest agri-food companies in the world, with a turnover of more than 5.3 billion US dollars (7 billion Australian dollars).

**SYDNEY, Australia:** Bank of America said it has scaled down its foreign exchange operations in Sydney, reducing its foreign exchange trading staff from nine to five.

The bank wants to concentrate its corporate foreign exchange in offices in Hong Kong, Singapore and Tokyo, the bank's country manager, Terrence, said.

**WELLINGTON, New Zealand:** Jardine Fleming remains optimistic for Asian equity markets despite its listed investment vehicles reporting further losses.

Jardine Fleming's China Region reported a 5.15 million US dollars (77.69 million NZ dollars) loss for the six months to Dec. 31, while the Asia Pacific business reported a US 1.74 million US dollars (2.28 million NZ dollars) loss.

**WELLINGTON, New Zealand:** Charles Moore, chairman of two companies, said all Asian markets except Japan were weak during the half year.

Most however, had rallied in the first months of 1996, largely due to a reversal of international investment flows which had exited the region over the past 18 months.

**NELSON, New Zealand:** Use of hormone growth promotants could place New Zealand's beef industry in jeopardy. Meat Producers Board Director Brent Rawstron said Tuesday.

He said hormones were not in line with New Zealand's marketing image of being clean and green and it was only a matter of time before human failure allowed carcasses containing hormones to slip through the system and place international markets under threat.

**Nelson Bays Meat Producers:** quality assurance manager, Vic Carr, said that although New Zealand had opted to use the 'lesser of the evil' HGP's available on the international market, the biggest niche market, Europe, would not accept meat containing hormones.

Carr said some of the best growth rates came from systems and breeds which did not use hormones. This was evident from results obtained in the national export beef carcass competition.

**KATHMANDU, Nepal:** The 23rd mid-term board meeting of International Federation of Asian and Western Pacific Contractors' Association, held here for two days, has decided to hold its 29th general conference in Kathmandu in 1999.

The meeting, that ended Monday, also decided to organize a similar conference in Malaysia in 2000 and in New Zealand in 2002, according to Yakha Dhwoj Karki, general secretary of the Contractor's Association of Nepal, which hosted the regional meeting.

More than 100 participants from 15 member countries took part in the meeting. The 15 board members are from Australia, Taiwan, Hong Kong, India, Indonesia, South Korea, Malaysia, New Zealand, Nepal, Papua New Guinea, Philippines, Singapore, Sri Lanka, Thailand and Japan.

The regional body had discussed thoroughly over the possibilities of developing regional cooperation in the construction business and improve the construction technology in the 21st century Karki said.

The Federation of Contractors was established in 1956 and has its headquarters in Manila, the Philippines. Most of the members are construction contractors, reports AP.

## Iraq sees progress in oil for food talks with UN

**UNITED NATIONS, Mar 12:** The resumption of crucial oil for food talks between Iraq and the United Nations showed some signs of progress but a dispute on distributing basic necessities to Kurdish areas remained unresolved, reports Reuters.

A second round of negotiations opened on Monday and May last 10 days on a UN offer allowing Iraq to sell up to two billion dollars in oil over six months on a renewable basis to buy food, medicines and other humanitarian goods.

The first round of the talks, from February 6 to 19, ended inconclusively.

"As long as you are talking you are making some progress," said Abdul Amir Al Anbari, leader of Iraq's delegation and its cultural organisation.

But he said that the talks had not reached agreement on key issues such as the method for distributing a portion of the humanitarian goods to the Kurds in the rebel controlled north of Iraq. The issue of the Kurd distribution "is the backbone of the whole scheme," said Anbari.

Iraq has insisted that all of the distribution go through Baghdad while the United Nations has said the 130-150 million dollars of every one billion dollars of oil proceeds earmarked for the Kurds should be delivered directly to them by UN agencies.

The aid agencies are currently delivering aid to Kurds by bringing in supplies through Turkey.

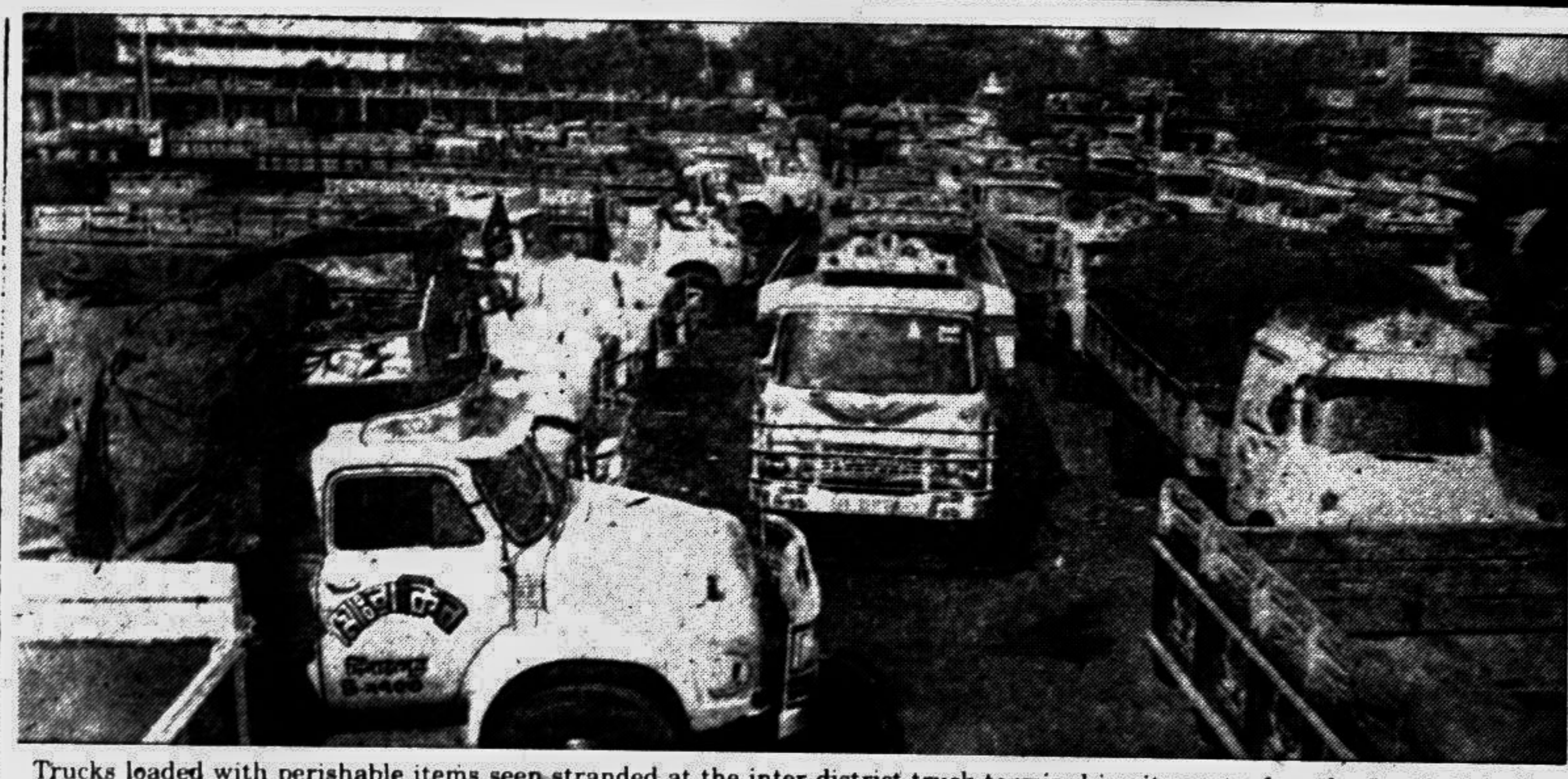
Other unresolved issues have included methods of payment for the goods and oil

production costs which Iraq wishes to claim, asked how far apart the two sides were on agreement over the main issues. Anbari said "there is no way of measuring it."

Even if agreement on the main points of contention is reached, final approval of a deal must come from the Baghdad political leadership, which previously has rejected UN plans for a limited oil sale, saying they infringed its sovereignty.

The talks reopened against a backdrop of a confrontation between the United Nations and Iraq on the broader issue of disarmament, with Iraq preventing UN arms inspectors from entering a site in the country for the second time in four days.

The disarmament process is the key to lifting overall sanctions on Iraq.



Trucks loaded with perishable items seen stranded at the inter-district truck terminal in city yesterday, the fourth day of the Opposition sponsored indefinite non-cooperation movement. — Star photo

## 'Political turmoil ruining country's economy'

The Shippers' Council of Bangladesh has expressed grave concern over the devastating effect of the current political crisis, hartals and the ongoing indefinite non-cooperation programme on the country's economy and foreign trade specially exports, says a press release.

In a statement, the chairman of the council, Mr Ali, has said the prevailing political situation has severely crippled our national economy, halted industrial production, and serious disrupted our export and import, port operations, transport and shipping.

He said the prolonged disruptions of country's transport, shipping and Chittagong Port operations have been causing serious damage not only to the reputation of our ports but also to the image of our country internationally. Chittagong Port has been facing unprecedented congestion situation with about 80 ships at its outer anchorage

and port jetties and about 13,500 import and export containers for a long time. Another 18-20 vessels are expected to arrive at the port in next few days.

He said in view of this critical port congestion situation causing vessels inordinate berthing delays and higher cost, all shipping lines have in the meantime, announced enhancement of congestion surcharges by 100 per cent at a time when they were considering withdrawing the existing surcharge, with the port condition becoming normal.

Further, there is alarming news that most of the shipping lines are reported to be seriously considering not to call at our ports in future if the port functioning does not become normal immediately. In that case we will be totally isolated from the world market with all its implication to our economy, he added.

## S'Africa to hold travel mart in Malaysia

**KUALA LUMPUR, Mar 12:** South Africa will hold its second travel mart here on March 20 to sell the country as a tourist destination, says AP.

The South African Travel Mart 96 (SATH 96) is poised to become the largest single travel industry show for South Africa in the Association of Southeast Asian Nations (ASEAN) region with more than 100 seller and buyer delegates expected to attend, a statement by SATH said.

The one-day event is a follow up to the one held in February last year.

About 23 South African organisations have confirmed participation as sellers, the statement said.

Ten tour companies, offering tours not just within South Africa but to neighbouring Lesotho, Botswana, Namibia and Zimbabwe, will also promote their packages.

## French co urges Asia to adopt new gas price-fixing mechanism

**SINGAPORE, Mar 12:** French energy giant Total yesterday proposed that Asian power-generation projects adopt a new mechanism to determine prices of natural gas due to increasing production costs, and price volatility, reports AFP.

Liquefied Natural Gas (LNG) prices in Asia are currently negotiated based on a formula using crude oil prices as the benchmark oil prices have been volatile for the last two decades.

The new approach to determine gas prices should be a less volatile indexation based on inflation and coal instead of oil or oil products. Total's Paris-based commercial director for natural gas Pierre Barbalat said.

"One of the conclusions that can be derived from the latest LNG price negotiations or renegotiations is that the logic of crude parity is reaching its limits," he told a regional conference here on gas for power generation.

Barbalat told AFP that he proposed coal in a new price mechanism because the commodity was generally considered the alternative to gas and its prices have been very stable.

"We've heard of oil price shocks but there has never been a coal price shock," he added.

Barbalat, whose company has operations in Indonesia, Thailand, Myanmar and Vietnam, said inflation should also be part of the gas price-determining mechanism to reflect investment and opportunity costs.

"In the industry, people are seeking for stability and predictability but, as we have seen in the past, the oil-based formula to determine gas prices was to the contrary," he said.

At present LNG is being sold for about 325 to 350 US dollars per million British

Thermal Unit (BTU) — the standard industry price measurement for gas.

Barbalat said that gas sellers were prepared to move away from their oil-indexed price formulas.

"It depended on the buyers, whether they want better price predictability and stability or price volatility," he said.

Large gas utilities in Asia believe that competition requires a single fuel reference and have thus been showing a steady reluctance to change their pricing approach, he added.

Barbalat said gas production costs in Asia were poised to escalate because the region's supply of initial gas output, which is cheaper to extract, was being exhausted.

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## UK awards High Speed Channel Tunnel link project

The British Government has awarded the High Speed Rail Link from London to the Channel Tunnel to the London & Continental Railways (LCR) group on a build and operate basis at an estimated cost of 2.7 Billion Pounds Sterling (4.0 billion US dollars), says a press release.

The London & Continental shareholders include Virgin Group, National Express, Sir William Halcrow & Partners, Ove Arup, Bechtel and Others.

The link will have a new 108 km high speed railway between London and the Channel Tunnel including major bridge crossings and 44 km of Tunnels (two of which will run under Thames River).

The London and Continental Railway Group will design, build and operate this 4.0 Billion US dollars system under a concession agreement for 99 years.

The work on the project is scheduled to commence on 1 April 1996 and the first trains are expected to run in 2003.

Following the successful construction and commissioning of the Channel Tunnel linking England and France, the Channel Tunnel Rail Link is amongst the largest transportation projects in recent times and the biggest project to date undertaken by the British Governments Private Finance Initiative (PFI).

## UN saves \$200,000 a year by tightening expenditures

**GENEVA, Mar 12:** The cash-strapped United Nations on Monday put an end to the free supply of pencils and paper for diplomats as part of an effort to reduce the organisation's deficit of billions of dollars, says AFP.

The weekly bulletin announcing coming meetings warned delegates that from now on services in conference rooms would be reduced to the essential.

Not only would pencils and paper no longer be provided, the bulletin said, but "only documents containing draft proposals which require action will be circulated in the rooms."

"As for pre-session or reference documents, delegates are kindly requested to bring copies," it said.

In total, savings on paper and pencils throughout the world, including at UN offices in New York, Vienna and Geneva, should exceed 200,000 dollars, a spokesman said.

## US president proposes \$2b environment tax breaks

**HACKENSACK, New Jersey, Mar 12:** In a stinging denunciation of Republican clean-earth policies, President Clinton accused Congress of engineering an "anti-environmental campaign" in concert with industrial lobbyists, reports AP.

Making his first election-year address on the environment, Clinton proposed 2 billion dollars in tax breaks for companies that clean up and develop land contaminated by toxic waste. And he promised more vetoes for bills he thinks would undermine the environment.

"When it comes to protecting our air, our food, our water, I cannot sacrifice America's values or America's future," Clinton told a crowd of 6,000 at Fairleigh Dickinson University on Monday.

Fighting a bad cold, Clinton also traveled to neighbouring New York City to be honoured as 'America's magazine's' 'Irish American of the Year.'

The president, who heads to Egypt on Tuesday for an anti-terrorism summit, also met in Hackensack with families of two American victims of Middle East bombings.

In his main address of the day, Clinton called for a bipartisan approach to environmental control — a point easily lost in a highly partisan speech.

"It is incredible to me now that the environment has, for the first time in a generation, become a source of political division," the president said.

"Congress has mounted the most aggressive anti-environmental campaign in our history. And I am proud that we have stood against that."

Polis show Clinton making strides against Republicans by portraying them as enemies of the environment. Every word and every photo here was designed to capitalize on that.

Republicans argue that the Environmental Protection Agency is a bulky bureaucracy that overregulates, EPA money and rules can be trimmed without hurting the environment, the Republicans say.

## Oil pipeline between Iraq, Turkey being repaired

**ZAKHO (Iraq), Mar 12:** Iraqi government employees are working round the clock to repair an oil pipeline between northern Iraq and Turkey, a UN official said here Sunday, reports AFP.

The pipeline will be used for Iraqi oil exports if Baghdad strikes an oil-for-food deal with the United Nations.

Some 55 workers from Baghdad have been at work for four days servicing the pipeline in the Fesh Khabour region next to the Iraq Turkey border, the UN official said, asking not to be named.

They have a lot of equipment including big oil pumps to maintain the pipeline and have been working 24 hours a day," he said.

They are staying in the border town of Zakho in northern Iraq, which has been under Kurdish control in defiance of Baghdad since the end of the 1991 Gulf War.

Turkey and Iraq signed a memorandum of understanding on Friday to reactivate the pipeline in the event of a resumption of Iraqi oil sales.

Iraqi and UN negotiators are to meet in New York on Monday to open a new round of talks on implementing UN resolution 986 allowing Baghdad to sell one billion dollars of oil per quarter under strict international control to raise money for food and medicine.

Under the resolution, most of the crude would be exported via the pipeline between Kirkuk in northern Iraq and Turkey's Mediterranean oil terminal of Cevhan.



Redwan Ahmed (3rd-R), President, Bangladesh Garments Manufacturers and Exporters Association (BGMEA), seen addressing an emergency meeting of the owners of garments industries at the Ball Room of Hotel Sonargaon yesterday. — Star photo

## Volatile prices spur coconut farmers to diversify

**by Juan L Mercado**

Seared by volatile prices, Asian coconut farmers are taking a hard second look at the economics of pasturing cattle between trees.

"In some coconut-livestock production systems, net return from cattle may exceed 50 per cent of total income, possibly as high as 75 per cent," says the Food and Agriculture Organization.

FAO's Regional Officer for Asia and the Pacific has just published what is probably the most comprehensive study to date on: Pasture-Cattle-Coconut Systems. FAO's Stephen Reynolds is main author of the 688-page study.

The fall in world copra prices, especially between 1960-1985, radically altered the world's oil crops economy," FAO Regional Representative A.Z.M. Obaidullah Khan told Depthnews.

The coconut's future in the 21st century is also cloudy. Genetically-engineered substitutes have emerged. Senility has sliced into output. Many trees, 50 to 60 years old, have not been replaced.

Uptake of new technologies from high-yielding coconut dwarfs has also been slow, FAO notes, "because of poor farmer experience with hybrids."

Monocropping, no longer pays, Khan says. Both plantation and small farmers are scrambling to shelter their over-dependence on a single crop.

"In some countries, particularly in the South Pacific, coconut products will not be a viable export, unless the return to farm labour can be increased," the FAO study says. Coconut then could "be grown only for domestic purposes."

The scramble for insurance against coconut crashes is most intense in Asia and the Pacific. Over 9.9 million hectares in region are planted to coconuts.

Case studies from 11 Asian and African countries, stitched into the FAO study, say: introducing cattle into coconut plantations, under good management and improved pastures, pays off — in some instances handsomely.

Among intercropping benefits cited are: increased income from beef sales; improved recovery of nuts; better use of crop residues; release of labour — and a sharp reduction of economic risks that over-dependence on a single crop entails.

Over 90 per cent of coconuts are grown by small farmers, who are impoverished," Khan points out. "Forage cultivation and cattle raising, under coconuts, increase both their food supply and income."

FAO notes that livestock feed systems, using low-cost farm residues, "have given promising results." Drawn from Latin America, Africa and Asia the systems use conven-

tional grasses and legumes: rice straw and bran; copra cake; banana leaves; sugar cane, etc.

What is likely to happen in the future? Dr Reynolds asks. "And can we learn from the experience of livestock integration with other tree crops?"

The 31 specialists, who collaborated in the FAO study, said breakthroughs "in the medium term" could well be in: "the search for shade tolerant grasses and legumes for use under existing tree densities."

If the search indeed comes up with these grasses, then the more crucial hurdle remains: How to convince small farmers to integrate them into their systems.

For the long pull, scientists need to focus on: "the economics of spacing tree crops more widely." This would allow sunlight to spur growth of forage for livestock.

Land-short Asian countries, that need more food to support their growing populations, need to look at untilled areas now under coconuts, says Khan.

"If present trends persist, the region's self-sufficiency in meat — estimated at 74 per cent in 1990 — could slip to 62 per cent in the year 2090," the FAO Regional Representative says. "But the large areas under tree crops, in the humid tropics, if tapped can be a way out." (Depthnews)

## Euro-slump only temporary, Say EU finance ministers

**BRUSSELS, Mar 12:** European Union finance ministers brushed aside recession fears Monday by predicting their sluggish economies will bounce back later this year to allow the EU to meet its 1999 deadline for launching a single currency, reports AP.

"My conviction is that there will be an economic rebound," French Finance Minister Jean Arthuis told reporters. "My conviction is the single currency will be launched on Jan 1, 1999."

Ministers insisted current gloomy data reflect only a temporary slowdown from which the European economy will soon recover.

There was no need, they said, to slow a drive to cut budget deficits and public debt to the low levels set as conditions for nations hoping to adopt the single currency — the euro.

"There is a pause in growth, but we expect recovery," said Italian Prime Minister Lamberto Dini. "There is no need to change the policy mix." Dini also serves as Italy's finance minister and chaired the day-long meeting.

In order to qualify for membership of the single currency zone, nations must get deficits below 3 per cent of gross domestic product by the end of 1997.

Currently only tiny Luxem-

bourg hits all the euro-targets.

The other 14 were already finding deficit-slashing difficult when a chill gripped the EU's two biggest economies — Germany and France — at the end of last year, making things even harder.

The stagnating growth means less tax revenue and pressure to spend more on welfare and job-creation schemes.

The EU's annual economic report, presented to ministers here, shows Germany's deficit expanding to 3.6 per cent of GDP last year as the EU's powerhouse economy struggles with record postwar unemployment.

France is seen reducing its 1995 deficit despite sluggish growth. But the fall is less than expected and leaves the budget gap at 5 per cent of GDP.

Overall, the EU report revised its 1996 forecast downwards to below 2 per cent because of anemic early figures.

Dini blamed the slowdown on a lack of confidence by consumers and investors. He said that could be countered by a concerted effort by EU governments to cut unemployment, running at around 11 per cent across the Union.

But although ministers stressed the need to create jobs, they failed to agree on a proposal from EU Commission

President Jacques Santer to reduce some 2.2 billion dollars in unused EU farm subsidy funds toward public works and other job-creation projects.

Instead, richer EU nations, led by Germany and Britain, said surplus money should be refunded to nations contributing to the EU budget.

The ministers endorsed a report basking hopes of a second half 1996 recovery on expanding world trade, low inflation, continued profitability for European companies, exchange rate stability and low interest rates.

There was some bright news to back up their optimism. Preliminary figures from Germany showed industrial output there grew 1.6 per cent from January from December and was up 2.2 per cent from January 1995.

Dini dismissed fears that continued high interest rates in the United States would affect European recovery. "I see no direct impact on rates in European markets," he said.

The EU ministers also met counterparts from nine Eastern European nations who want to join Union by the end of the decade. According to the EU, most are on the right economic track.

In most of the countries, we are very satisfied with development so far," Dini said.

## Inflation in Ukraine falls to 7.4 pc

**KIEV, Ukraine, Mar 12:** Inflation in Ukraine fell to 7.4 per cent a month in February, down from 9.4 in January but still well above government-set targets, the Statistics Ministry said Monday, reports AP.

The International Monetary Fund is working out a 1.5 billion dollars loan agreement with Ukraine, aimed at bringing inflation down to 1.2 per cent a month by the end of the year.

Inflation in Ukraine fell to 4.6 per cent in December, the lowest in 1995.