

Brazilian Poverty At 25-Year Low

RIO DE JANEIRO, Brazil, Sept. 23-- Poverty in Brazil has dropped to its lowest level in 25 years under President Luiz Inacio Lula da Silva's administration, boosting the president's popularity in the country's poorest sectors, according to a study released Friday.

The Getulio Vargas Foundation survey showed that under Silva policies the number of poor Brazilians dropped to about 42 million—or about 22.7 percent of the country's 185 million people. The rate was 28.1 percent in 2003, when Silva took office.

The poverty rate is at the lowest level in 25 years, when the foundation began measuring it, said Marcelo Neri, head of the foundation's Center for Social Policy Studies.

According to AP, the survey also showed that the number of Brazilians considered to be living in extreme poverty—or those earning less than US\$1 per day—dropped by 19.2 percent between 2003 and 2005. That translates to about 10 million people.

"The poor were the ones who made out best, because their income grew at an annual rate of 8.4 percent, almost double the 3.7 percent of the rich," Neri said.

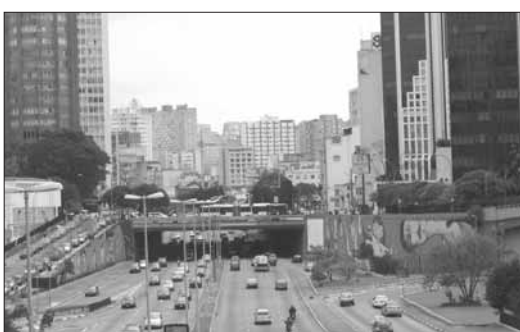


Photo shows Sao Paulo City, Brazil. (Google File Photo)

He said the change can almost entirely be attributed to the Bolsa Familia program which provides monthly subsidies to Brazil's poorest families in exchange for a commitment to send their children to school or risk losing the benefits.

"Bolsa Familia is the big rising star of the fight against poverty," Neri said.

The program, a half-

mark of Silva's administration, has also been an important factor in his continued popularity.

Polls show that Silva seems likely to be re-elected in the first round of the Oct. 1 presidential election, despite a wave of corruption scandals that have tarnished his administration but have so far failed to implicate him personally.

Meanwhile, Brazil's real

rose for a first day in four against the dollar, reversing an earlier drop, in late Sao Paulo and Rio de Janeiro trading.

The real gained 0.2 percent to 2.2070 per dollar from 2.2118 the day before. Earlier, it lost as much as 0.8 percent to 2.2304 per dollar. The real has declined 2.5 percent this week, heading for its biggest weekly decline since May 19.

Alrosa Reaps \$23m In Diamond Auction

MOSCOW, Sept. 23--Diamonds worth \$23 million were sold at the 17th international auction for special-sized diamonds, Russia's biggest diamond producer Alrosa said Friday.

According to RIA Novosti, the auction, arranged by Alrosa in collaboration with the Russian Diamond Chamber, was attended by representatives from 56 gem companies from Russia, Israel, Belgium, India, Japan, China and the United States.

also finding their way on to the British and other European markets.

Amnesty International and Global Witness are calling on the public to protest against the international trade in conflict diamonds. Shoppers are being urged to ask sales staff at jewelers where their diamonds come from and whether the areas are conflict-free.

In the past warlords and rebel groups in countries including Angola, the Democratic Republic of Congo, Liberia



The largest diamond in the auction weighed 283.94 carats. (Yahoo File Photo)

A total of 893 gems weighing over 16,000 carats, including 29 extra-large stones that came in at more than 50 carats, were put up for auction. The largest diamond in the auction weighed 283.94 carats.

Alrosa is one of the world's biggest diamond mining companies, accounting for 25 percent of overall production in monetary terms. The company's major shareholders are the Federal Agency for the Management of Federal Property (37%), the Republic of Sakha (Yakutia), where it is based (40%), and various legal entities and individuals (23%).

The global diamond trade is continuing to fund vicious civil wars in countries such as Ivory Coast and Liberia, despite international efforts to blacklist stones from regions at war.

Human rights campaigners warn that an international system of regulating the gem trade is being systematically bypassed. Millions of men, women and children are being killed, injured and made homeless as a result. According to a Global Witness and Amnesty International report, "conflict diamonds" from Liberia are being smuggled into neighboring countries for export, and stones from strife-torn Ivory Coast are

and Sierra Leone have used billions of dollars of profits from the sale of diamonds from the mines they control to buy arms and fund devastating wars.

According to Amnesty International and the campaign group Global Witness, rough diamonds mined in rebel-held areas of Ivory Coast and Liberia are still being traded.

The illegal stones are smuggled out of conflict areas and into neighboring countries where they are either sold on the black market or mixed in with legitimate Kimberley-certified diamonds and passed off as being sourced from elsewhere.

In addition Global Witness claims that international terrorist groups including al-Qa'ida have infiltrated diamond trading networks to raise funds for their cause and launder huge amounts of money.

Among the areas targeted by al-Qa'ida is believed to be the illegal operations in Liberia, which was used as a conduit for diamonds mined by the rebel group the RUF during the war in Sierra Leone which was responsible for the deaths of at least 50,000 people and the mutilation, rape, torture and abduction of thousands of others.

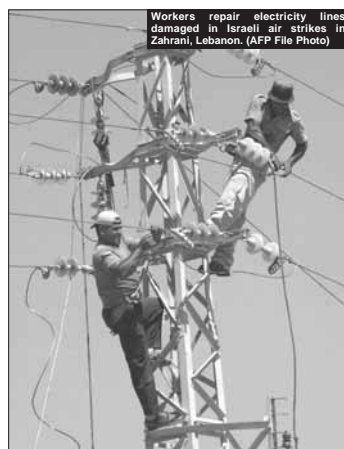
Turkey to Provide Lebanon Electricity

ANKARA, Turkey, Sept. 23--Turkey is going to provide electricity for Lebanon to make up for the damage to the infrastructure caused by the conflict between the Hezbollah militia and Israeli forces, AFP quoted the Anatolia news agency as reporting on Saturday.

The Turkish energy authorities decided to supply for a year up to 1.4 billion kilowatt-hours of electricity to neighboring Lebanon from a system established with Syria with whom Ankara already has an agreement, the agency said.

The decision will take effect "in the next few" days, Anatolia said. Meanwhile, Lebanon will receive a \$70 million grant from the World Bank to help the country in its reconstruction efforts following Israel's 34-day bombardment, the global body announced. The money will be placed in a trust fund, will come from the bank's surplus and will not involve any additional debt burden for Lebanon, the World Bank said.

The decision was announced during the joint World Bank/International Monetary Fund Annual Meeting in Singapore. The pledge was part of a worldwide campaign to raise funds for the Lebanese government in its efforts to rebuild infrastructure and houses destroyed by Israeli bombs. Lebanon has already received a pledge of \$940 million from donor states that met in Stockholm earlier this month. The Council for Development and Reconstruction has said that the cost of rebuilding infrastructure alone will come to \$3.6 billion.



Workers repair electricity lines damaged in Israeli air strikes in Zahrani, Lebanon. (AFP File Photo)

Commonwealth: Small Countries Need Trade Talks

UNITED NATIONS, Sept. 23--Some small Commonwealth countries could spiral toward failure if stalled world trade talks are not reignited, the group's secretary-general, Don McKinnon, said on Friday.

Small states make up 32 of the 53 members of the group—who account for around 2 billion people or 30 percent of the world's population—and the economic future of many of those depend on successful trade talks, McKinnon told Reuters.

"If the Doha round fails, econom-

ically a lot are at risk," McKinnon said during an interview between meetings at the United Nations in New York. McKinnon has been head of the group of mostly former British colonies for the past six years.

"If a country starts going backwards rapidly economically, that puts enormous strain on people's faith in the democratic institutions. They tend to blame governments. So vulnerability can emerge like that," he said.

The Doha round was suspended in July after failing to reach an agree-

ment on agricultural trade, with the European Union and the United States blaming each other for refusing to make enough concessions on cuts in tariffs and farm subsidies.

McKinnon said that after recent meetings of the World Bank, International Monetary Fund and 18-nation Cairns group of agriculture exporting nations, he sensed a possibility the Doha round would be re-energized and restarted.

"We have to see a good result out of this round; it is not acceptable for the round just to diminish and die," he said.

OECD Head Tours N. Korea Industrial Complex

SEOUL, South Korea, Sept. 23--The head of the Organization for Economic Cooperation and Development (OECD) on Saturday inspected an industrial complex in North Korea, AFP quoted officials as saying.

OECD secretary general Angel Gurría toured two South Korean factories in the industrial site in Kaesong, just north of the heavily fortified border, the South's unification ministry said.

Gurría is in Seoul to celebrate South Korea's 10th anniversary of joining the 30-member world body.

"It's a good opportunity to raise the understanding of OECD member countries about the Kaesong project," Kim Dong-geun, head of the committee that oversees the complex, told Yonhap news agency.

North Korea wants South Korea to expand the indus-

trial site, an important source of revenue for the isolated country. But its expansion has been delayed since the impoverished country fired missiles in July.

Currently 15 South Korean firms operate in Kaesong. More than 8,000 North Korean workers there bring their government 500,000 to 600,000 dollars in wages each month.

Seoul hopes to make it a development model that combines South Korea's capital and North Korea's cheap labor.

While South Korea insists on pushing ahead with economic cooperation, the United States is wary of engaging a nation that refuses to return to talks on ending its nuclear standoff with the outside world.

Some US officials believe an expansion of Kaesong may help funnel funds to the North's weapons program.

Arab Bourses Slip

AMMAN, Jordan, Sept. 23--Arab stocks retreated this week, according to the ASE weekly report.

Analysts said they expected Jordanian shares to pick up, led by real estate and financial services firms, after prices went down to levels that encourage buying.

The Saudi stock market, the Arab world's largest, witnessed this week dumping of speculative stocks which continued to suffer following unjustified sharp rises in the previous weeks.

"We believe that there have been a sell-off and a change of positions on the part of many investors ahead of the month of Ramadan that usually witnesses sluggish trading," an Amman-based portfolio manager said.

"We think that prices will go down further in the first two weeks of Ramadan, after which shares will provide a buy opportunity that sparks rebounds throughout Arab bourses," he added.

The all-share price index of the Amman stock exchange shed 3.4%, to close week on Thursday at 6,099

points, down from 6,318 last week, according to the ASE weekly report.

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The Saudi stock market, the Arab world's largest, witnessed this week dumping of speculative stocks which continued to suffer following unjustified sharp rises in the previous weeks.

The Tadawul All Shares Index (Tasi) of the Saudi stock exchange slipped 1.2%, closing the week at 11,108.35 points from 11,240.30 points last week.

"It seems that many investors have disposed of stocks with weak financial ratios ahead of the Q3 results of listed firms, it added.

The BFA expected profits realized by blue chip firms to "remain

the major factor determining the market's trend".

Meanwhile, the speculative grade stocks faces "further retreat due to their record rise that was not based on investment fundamentals", they said.

Kuwait's KSE all-price index closed week at 10,033 points which represents a 0.5% rise over its last week's close at 9,984 points.

In the United Arab Emirates, the all-share price index of Dubai's

stock exchange suffered one of its sharpest losses this week, shedding 7% and closing at 425.24 points, compared to last week's close at 456.39 points.

Analysts are optimistic that this decline would spur a rebound as low prices would encourage investors to step in to purchase stocks.

Egypt's Hermes all-share price index gained 3.4%, closing week at 56,273 points from 54,428 points last week.

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WORLD News In Brief

Suspicious Ship

TOKYO--Japanese authorities said a North Korean ship docked in southwest Japan on Saturday over suspicions one of its crew carried counterfeit dollars into the country, a news report said.

New Delays

PARIS--New delays expected for the A380 super jumbo airliner are a blow to Airbus after a production crisis three months ago but are unlikely to cause customers to cancel orders.

Alliance Unlikely

NEW YORK--Auto giants Nissan Motor Co. and General Motors Corp. are unlikely to form a capital alliance, a newspaper said Saturday.

Age Discrimination

DALLAS--A federal agency filed an age discrimination lawsuit against Exxon Mobil Corp. on Friday, saying it forces pilots for the world's largest oil company to quit flying at 60.

Secret Deal

LONDON--The British government has secretly offered to support Italy's demand for punitive tariffs on cheap Chinese shoes in exchange for Italian backing for Britain's long work hours.