SUVA: Sanjogeeta Kiran, right, with her sister Sulva Kiran, second left, and her children Shivendera, left, and Raajeen, sit amid the debris of their home in RakiRaki, Fiji, after cyclone Winston ripped through the island nation. — AP

Cyclone tears at Fiji's economy

Farm, tourism sectors worst hit, experts predict rebound

WELLINGTON: The cyclone which tore through Fiji two weeks ago, killing 43 people, was so powerful that at the Namena Island Resort, it ripped out a commercial oven and tossed it half the length of a football field.

Manager Nigel Simpson said there's almost nothing left of the small diving resort. The six guest houses are gone, and heavy equipment like generators and compressors simply vanished in winds of up to 285 kilometers (177 miles) per hour. Worst of all, Simpson fears Cyclone Winston might have smashed up the coral reef which attracts tourists to the island, although he's yet to investigate underwater. The cyclone not only demolished thousands of homes, it also tore at the fabric of the South Pacific nation's economy. Apart from tourism, which accounts for one-third of GDP, it also wiped out a significant chunk of the sugar crop, another big source of foreign income.

Fiji's government has put the initial damage estimate at about 1 billion Fijian dollars ($472 million), equivalent to about 10 percent of the economy. Yet experts and officials say that while many of Fiji's subsistence farmers and workers are facing tough times, they don't expect the cyclone's impact on the larger economy will be major or longlasting. That's because, unlike Namena Island, most tourist resorts were not directly in the cyclone's path and escaped major damage. Government infrastructure in the capital Suva was also spared, and aid money and rebuilding work will provide economic stimulus.

Home to 900,000 people, Fiji is one of the most developed Pacific island nations. Yet the annual GDP per person is only about $9,000, and about 30 percent of people live in poverty. Before the cyclone, the economy was growing at a healthy 4 percent annual clip. Attracted by sunny beaches and a relaxed way of life, some 700,000 tourists visited last year. In the month before the cyclone hit, tourist numbers set a new record for a January. Just how many tourists will cancel trips or elect not to go because of the cyclone remains to be seen. The winds hit before the peak tourist season of June through October. Caroline Currie, the regional head of economics at the Asian Development Bank's Fiji office, expects the overall economic impact to be moderate and temporary.

"What's really devastating, though, is the loss of homes and subsistence lifestyles," she said. Particularly hard-hit are the estimated 200,000 people who rely on the sugar industry: farmers, cane-cutters, mill workers, people in related industries, and their family members. Abdul Khan, the executive chairman of the Fiji Sugar Corporation, which processes all of Fiji's sugar, said about half of this year's crop of 1.2 million metric tons of sugar cane on the main island of Viti Levu was destroyed, costing farmers about $23 million.

Most of the 650,000 metric tons on the island of Vanua Levu survived. The storm damaged three sugar mills on Viti Levu, but they should be able to cope with the reduced harvest, which takes place from May through early July, Khan said. He said officials will distribute emergency aid for the many farmers who will be left without an income this year.

To attract tourists back, industry leaders will launch some new packages next week that will include accommodation and flights on the national airline, Fiji Airways, said Attorney-General Aiyaz Sayed-Khaiyum. "There'll be some good deals for tourists," he said. "The reality is that Fiji is quite resilient, and those resorts that were affected will be up and running soon." — AP

Slovakia's economy stands out, but public services lag behind

BRATISLAVA: Slovakia stands out in central Europe, as a euro zone member that has reformed its economy, kept its national debt low and attracted international investors. But when pensioner Kornel Klatt went into a hospital in Bratislava for surgery, he took his own toilet paper.

Slovakia's growth has not trickled down to health and education, tarnishing Prime Minister Robert Fico's credentials as he heads into an election today. Although his Smer party is expected to win, it is likely to lose its absolute majority. Fico has bolstered his ratings with a vocal stance against

immigration, but his popularity has fallen in the final weeks of the campaign. Teachers and nurses have staged rare protests for higher wages and more spending on schooling and health. "I received good medical care, but the building was old, the beds uncomfortable and patients had to bring cutlery and toilet paper," said Klatt, 72, who had hip surgery in December. When Slovakia broke off from the Czech Republic in 1993, it was much the poorer of the two, with defunct arms factories and an autocratic prime minister who preferred ties with Russia to convergence with the European Union and scared away investors.

That began to change in 1998, when a centre-right government took power. Slovakia joined the EU in 2004 and adopted the euro in 2009. Gross domestic product grew to 77 percent of the EU average in 2014 from 47 percent in 1995, and Fico is promising to reach 85 percent in his next term. Fico won his first four-year term in 2006 and second in 2012. He reversed some privatisations, slightly raised corporate taxes and expanded worker protection, but Slovakia remained an investor favourite. Strong growth and healthy banks have kept the budget under control and debt at half the euro zone average.

NOT ROSY ALL AROUND

However, the average Slovak gross wage remains low by European standards at 861 euros ($941.59) per month, less than its regional peers. That appeals to investors, but not to voters.

Slovak teachers, some of whom went on strike last month, are paid less than those in any other country in the Organisation for Economic Cooperation and Development, according to OECD data. And at 10.4 percent the unemployment rate is far above the Czech Republic's 6.4 percent. A third of the labour force is out of work is some outlying regions. Fico's government has tried to address living standards - the minimum wage has been raised to 405 euros a month, for example. But critics say he has resorted to handouts like free train rides for students and pensioners rather than real reform.

Fico's first government cancelled fees for doctor visits, for example, which was popular with patients. The fees were meant to limit needless consultations, though, and save money for more serious treatment. Healthcare in Slovakia ranked 24th among 35 European states last yeare, according to Swedish-based Health Consumer Powerhouse.

In February, the government had to call in army personnel to secure care at one hospital after hundreds of nurses quit in protest over pay. Fico's health minister and the head of parliament resigned in 2014 after thousands of Slovaks protested in the streets over allegations of overpriced purchases of hospital equipment, the cabinet's biggest scandal.

"I have always leaned left, admired Scandinavian countries, voted for Smer in last election - but I won't support them this time," said Bohuslav Ilavsky, the headmaster of an elementary school in Detva, a town in central Slovakia. — Reuters

Serbia opens new tender for steel plant

BELGRADE: The Serbian government launched a new tender yesterday for its sole steel mill which it tried to privatise without success in 2012 as it seeks to sell off a raft of public companies.

The starting price of the Zelezara Smederevo plant, which lies 40 kilometres (25 miles) east of Belgrade, is 45.6 million euros ($50 million), according to a ministry advertisement in the Politika daily.

Talks with US steel group Esmark over buying a majority stake failed in February last year after US Steel, which bought the bankrupt plant for 23 million dollars in 2003, pulled out in 2012 because of the global economic downturn. The government then bought the plant back for the symbolic price of one dollar, saying the move was aimed at preventing the loss of about 5,500 jobs and keeping operations going while a new long-term strategic partner was sought.

Serbia's government has expressed commitment to privatising a raft of public companies, a condition of a 1.2 billion euro ($1.3 billion) loan agreement with the International Monetary Fund, although it has called off the sale of one of its biggest assets, Telekom Srbija.

The president is expected to call an early election Friday after the government said it required a clear mandate to carry out reforms needed to join the European Union.

According to state broadcaster RTS, the government is negotiating with China's HBIS over acquisition of Zelezara Smederevo, whose losses in 2014 amounted to 96 million euros ($109 million). After last year's failed sale, management of the plant was entrusted to Holland-based HPK Engineering BV with the purpose of preparing it for privatization. Zelezara Smederevo has annual capacity of about two million tons and at its peak accounted for 14 percent of Serbia's exports.

The deadline for the submission of offers was fixed at March 30, the government advertisement said. — AFP