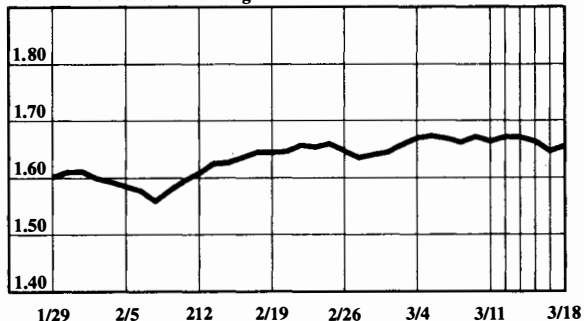


Currency Rates

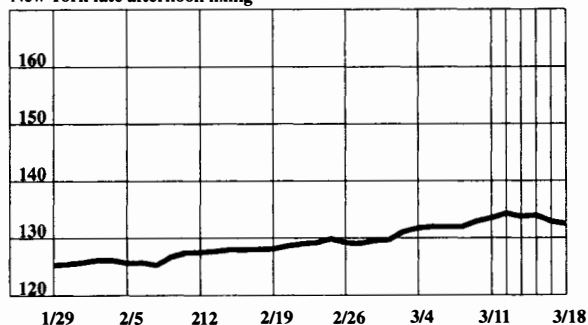
The dollar in deutschemarks

New York late afternoon fixing



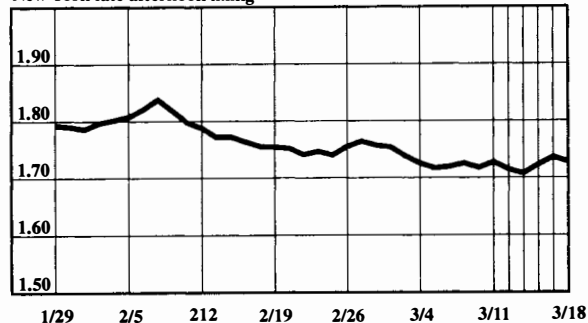
The dollar in yen

New York late afternoon fixing



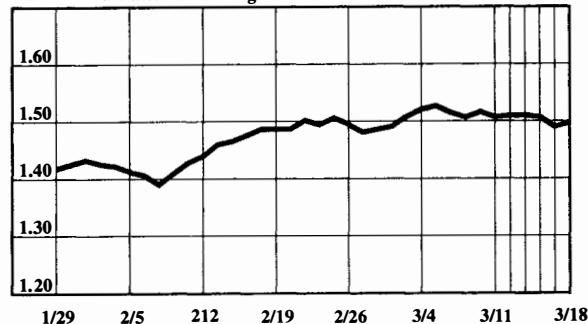
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Africa food supply threatened by drought

by Linda de Hoyos

Shortages of food supply for sub-Saharan Africa's 450 million people are expected to escalate dramatically this year, with the news that the southern Africa region could face a 75% fall in coarse grain yields due to drought. Drought is hitting Africa along the entire eastern coast from Cairo, Egypt, to Cape Horn, South Africa, and all the countries affected will require significant grain imports this year if their populations are not to starve. In the southern Africa region, food reserves are low because of a poor harvest last year. Already, Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, and Zimbabwe are suffering food shortages because of the drought.

South Africa, usually the world's sixth largest exporter of grain, will have to import 4 million tons of corn, according to the United Nations Food and Agriculture Organization (FAO), since this year's corn crop is expected to be below 25%.

In total, Africa will require in the order of 10 million additional tons of grain imports this year to keep its population from starving, with two-thirds of that going to South Africa and the southern African region, and 2,284,000 tons going to Somalia, Sudan, and Ethiopia, where drought has exacerbated food shortages already caused by civil war and unrest.

Zimbabwe is the hardest hit of the African countries by the drought. Government statistics show that 3,603 boreholes out of 12,110 have dried up since February, while 3,133 of a total 7,048 deep wells have run dry throughout the country. Acute water shortages are threatening to shut down industries, and schools are starting to close. The drought has decimated the country's dairy industry, thereby eliminating milk as a food source also. At least 2 million people, out of an estimated population of 9.7 million, are eligible for drought relief. As in the case of other countries forced unexpectedly to import food, the drought will drain foreign exchange and worsen Zimbabwe's debt crisis, making imposition of "structural adjustment plan" of the International Monetary Fund (IMF) even more onerous. Economists are projecting a negative 4% growth rate for the economy.

The drought in Zimbabwe also affects the rest of the region adversely. Zimbabwe has heretofore supplied food for more than 1 million Mozambican refugees in southern Malawi, who have fled the civil war in Mozambique, and Zimbabwe has supplied the food to Mozambique for its own internal refugees.

Mozambique itself is expected to require 1 million tons of maize this year in extra food imports to feed its population. Even if weather were normal for the remainder of the year, cereal