

# Farm issues stymie WTO service industry talks

REUTERS, Washington

World trade talks aimed at making it easier for architects, financial planners, lawyers and other professionals to offer their services across borders have made little progress because developing countries want to see action on farm issues first, experts said Monday.

Only about 30 of the 146 members of the World Trade Organisation met a March deadline for making initial offers to open their markets to professional services.

Robert Vastine, president of the US Coalition of Services Industries, said many developing countries are

holding back until they see what the United States and the European Union are willing to do to open their agricultural markets.

That raises the possibility there may not be enough time to negotiate a significant new services agreement unless WTO members make a major breakthrough on farm trade issues at a meeting next month in Cancun, Mexico, he said.

"We need a year" of serious negotiations to adequately address legal and regulatory barriers to increase services trade around the world, Vastine said in a panel discussion.

WTO members launched the current round of world trade talks in Doha, Qatar in November 2001 with the goal of reaching an agreement by January 2005. There has been little progress in the overall negotiations because of sharp differences over the pace and scope of proposals to cut domestic farm payments, agricultural tariffs and export subsidies.

The United States and the EU last week offered a joint plan to bridge the differences, but it left many key matters unresolved, including the proposed size of subsidy and tariff cuts and the time frame for making them.

Flavio Marega, a trade official at the Brazilian embassy, said his country was "still evaluating the best of most moment," for making a services offer "taking into consideration the overall picture of the Doha Round negotiations and in particular... the agricultural sector."

Ashraf Hayat, a Pakistani embassy trade official expressed pessimism about a successful meeting in Cancun and agreed that progress on agriculture would give developing countries more incentive to participate in the services talks.

## Oil holds near \$31 after Iraq pipeline blasts

REUTERS, New York

US oil prices held near \$31 a barrel Monday after two explosions on Iraq's main northern crude pipeline dashed hopes that the war-torn country would reach its oil export target by year's end.

New York crude oil futures settled 16 cents lower at \$30.89 a barrel in a technical sell-off after hitting a session high of \$31.42, while North Sea Brent crude in London was down 15 cents at \$28.66 a barrel.

"The market appears moving technically at the moment and correcting from Friday's levels, which appear to be overdone," said Phil Flynn, analyst at Alaron Trading in Chicago.

Over the weekend, two blasts on the Iraq-Turkey oil pipeline closed the key northern export route. The pipeline had only last week resumed pumping for the first time since forces led by the United States invaded Iraq in March.



PHOTO: PROVATI INS

Joarder Nowsher Ali, chairman of the Provati Insurance Company Limited, presides over the 7th annual general meeting of the company in Dhaka on Thursday. Muksud Ali, founder chairman of the company, Mohammad Ali Talukder, managing director, AFM Jahangir, vice-chairman, and Md Ruhul Amin, director, were present.

# Mexico accuses US of trade rules violations

REUTERS, Geneva

Mexico Monday accused the United States of committing serial violations of trade rules to protect US manufacturers of some steel products and cement from lower-priced goods from its southern neighbour.

And the powerhouse Latin American economy, host next month to a key meeting of the World Trade Organisation (WTO), set the stakes high in the cement case by saying it would be seeking repayment of extra duties paid over the last 13 years.

But the United States rejected the charges, issued at a meeting of the WTO's Dispute Settlement Body (DSB), and blocked the immediate creation of panels to look into the cement and two other cases brought by Mexico, all on the same day.

The three panels will almost certainly be set up at the next DSB meeting on August 29 because defendants can only delay them once. Panels have six months to report their findings.

In the first case, Mexico targeted anti-dumping measures on its

exports of Portland cement first imposed in 1990 and whose removal it said US officials had promised to discuss after a panel of the old GATT ruled against them at the time.

"As incredible as it may seem, the United States has in fact maintained in force for the past 13 years a measure which should never have existed in the first place," Mexican ambassador Eduardo Perez Motta told the DSP.

He said, subsequent adaptations to the original measure amounted to "a catalogue of multiple violations" of agreements under the WTO, which replaced the GATT -- the General Agreement on Tariffs and Trade -- from 1995.

Under the GATT, final panel rulings in disputes could be blocked -- effectively rendered inoperative -- by either side in disputes, a loophole often used by countries found in the wrong. But under the WTO, this is no longer possible.

The second case brought on Monday by Mexico -- partner with the United States and Canada in the North American Free Trade Agreement (NAFTA) which has given

a major boost to trade between the three -- concerned steel pipe for the oil industry.

Mexico, which has had several earlier high-profile disputes with the United States settled through, or still under study by, NAFTA dispute panels, argues that anti-dumping duties on its oil pipe in the mid-1990s should have been lifted.

In the third case, it challenged countervailing duties levied on steel plate exported by a privatised Mexican company which the United States argues still benefits from the subsidies its state-owned predecessor received.

Perez Motta said the United States was applying a method to calculate the amount of residual benefit which had already been found illegal by the WTO's Appellate Body, its quasi-judicial organ, in an earlier case involving British steel.

US ambassador Linney Deily said Washington was convinced that the measures it was applying in all three cases were in full accordance with WTO pact on anti-dumping and countervailing duties, and called on Mexico to drop its WTO complaints.

## Nepal to reform 44 laws for WTO entry

AFP, Kathmandu

Nepal is to reform 44 laws and introduce a raft of new legislation before 2006 to comply with World Trade Organisation (WTO) requirements, an official told AFP Monday.

A high level delegation led by Secretary for Commerce, Industry and Supplies Dinesh Chandra Pyakuryal returned home Sunday evening after successful negotiations with the WTO in Geneva.

"Nepal will now definitely acquire WTO membership during its four-day ministerial meeting," Pyakuryal said, referring to the WTO's scheduled September 10-14 meet at Cancun in Mexico.

"Some of our laws are not fully compatible with the WTO laws and so need to be reformed by 2006," Pyakuryal said.

## Afghanistan economy grew at 30pc in 2002

AFP, Kabul

Afghanistan's economy grew by more than 30 per cent last year, presidential spokesman Jawed Ludin said on Monday following a cabinet meeting.

The World Bank had tentatively estimated last year's growth at 10 per cent, although it cited a lack of data.

"But some new estimates that have emerged, including those from our own sources from the ministry of finance and from the (central) Afghanistan Bank and others say that is probably an underestimation," Ludin said.

"The growth rate in Afghanistan is probably over 30 per cent," he said, describing it as "very positive."

"This is not so much due to... the aid money which is coming in to Afghanistan, this depends to a large extent on the economic mobility, economic creativity that is taking place within Afghanistan," he said.



PHOTO: UTTARA MOTORS LTD

Matiur Rahman (centre), chairman and managing director of Uttara Motors Limited, presides over the annual dealers conference 2003 in Khulna on Thursday. Durand Mehdadur Rahman (left), director, KI Hossain (right-2nd), executive director, Mujibur Rahman (left-2nd), director, and Mir Mohammad Hossain (right), director of marketing, are also seen in the picture.

# EU dithers on food names needing world protection

REUTERS, Brussels

EU member states failed Monday to agree on a final list of famous food and drink products such as Cognac that the bloc believes should have global brand protection -- a quest its top trade partners call thinly veiled protectionism.

Officials said the EU's trade committee, debating the issue in Geneva, would now meet next week to try and agree a list before EU negotiators head to Cancun in Mexico, where they hope to win backing for these names to be protected under World Trade Organisation (WTO) rules.

The EU is keen to present the list of its most famous gastronomic treasures at the WTO session starting on September 10 in Cancun, where principles on liberalising farm trade should be agreed.

According to the EU's Executive Commission, these 30-40 names would represent not only the most valuable items but also those most widely copied overseas -- drinks like Chablis, Champagne and Cognac, and the cheeses Gorgonzola and

Manchego.

So far, the bloc's 15 members have been unable to reach agreement among themselves on the contents of a WTO list.

"There's been no agreement. They've decided to postpone this until the next meeting... which will probably be next week," said an EU official, adding that Greece still had a number of problems with the current version of the list of food names.

At the committee's last meeting in late July, Greece said it could only accept the draft list if it included Feta cheese, Kalamata olives and, if possible, the alcoholic drink ouzo.

Despite a longstanding row with rival producer Denmark over rights to sell and market Feta cheese, Greek Feta had now been added to

the list to be presented to WTO members, the official said.

"Feta has been added to the list but the Greeks are still unhappy olives and ouzo are not included," the official said.

"There was some progress with Feta. But it is true that certain problems remain, not exclusively for Greece -- some other member states are also unhappy," said another.

Along with Feta, France's Beaujolais wine was added to the list as was sherry under its original Spanish name Jerez, while Britain agreed to the removal of Blue Stilton cheese.

France, which had initially requested that seven more of its products appear on the list, withdrew Neufchatel cheese.

## US economic downturn nightmare for Asian IT people

ANN/ THE STRAITS TIMES

It seems like another day at the office. But a pink slip from the human resource department turns the world upside down.

This scene is being played out repeatedly across the United States, especially in information technology companies where highly skilled Indian and Pakistani software professionals went to work in pursuit of their "American dream".

Vikas Kaul of New Delhi was among thousands of young Indians who went to the US where their IT expertise earned them huge salaries and held out the possibility of their becoming millionaire entrepreneurs.

However, the dream is over and it is now a nightmare for many of them because of the US economic downturn.

Kaul, 29, decided to return home in June this year even though he had not got a pink slip telling him his services were no longer required.

"A couple of friends lost their jobs and so I decided to play it safe," said Kaul, who is now working with an Indian IT multinational in New Delhi. He had worked for the same company three years ago before he left for the US.

A student of commerce at the Delhi University, he branched into IT after undertaking a course at a local computer institute.

Following a few stints in companies based in India, he went to the US in December 2000 where he joined an IT firm based in Boston.

## Windows still dominates in Indian market, Linux emerging

AFP, New Delhi

Microsoft's Windows is still the dominant software operating system for computer users in India but Linux is fast emerging as a threat to the US giant, an industry expert said Tuesday.

Warren C. Pratt, chief operating officer of the California-based tech solutions provider Silicon Graphics Inc. (SGI), said low-cost Linux has generated its own buzz among India's scientific and defence circles.

"Technical, scientific and defence research departments in India are gradually opting to use Linux software," said Pratt.

"In India, I see great scope for Linux to move forward rapidly, given that India has one of the largest Linux communities as well as the world's second largest scientific pool of manpower."

## KL airline launches SMS ticket booking service

AFP, Kuala Lumpur

No-frills Malaysian carrier AirAsia on Tuesday launched the world's first SMS ticket reservation service with hopes of expanding its reach to 10 million mobile phone users.

Chairman Pahamin Rajab said the move followed its success with its Internet ticketing service, which recorded over 80 million ringgit (21 million dollars) in sales since May last year.

He said AirAsia had invested three million ringgit to develop the short message service (SMS) booking system, jointly with top mobile phone operator Maxis and Dutch-based technology firm Getronics.

The service will be available Friday initially to some three million Maxis subscribers but other mobile operators are expected to come on board within the next one to two months, he said.



PHOTO: CEMS

Conference and Exhibition Management Services Ltd (CEMS) Managing Director Meherun N Islam Monday in Dhaka speaks at a press conference organised to announce the three-day 4th Tex-Tech, an international exhibition for garment and textile products, beginning Friday at Sonargaon Hotel.