EU flexibility gives new chance to WTO talks

AFP, *Geneva*

Signs of "flexibilty" from the European Union over sensitive trade issues will make it easier to re-launch a crucial round of WTO negotiations within a three-week deadline, developing countries said.

EU Trade Commissioner Pascal Lamy indicated on Wednesday he was ready to put aside discussions on such things as cross-border investment and competition policies -- long-supported by the 15-nation bloc -- to help galvanize the current round of talks aimed at liberalising global trade.

These so-called Singapore issues had been widely blamed for stalling a World Trade Organisation (WTO) meeting of ministers, in Cancun, Mexico in September.

The European Union wanted to extend the mandate of the WTO to embrace the four items -- which also include trade facilitation and government procurement -- while developing countries refused to consider them before progress was made on reducing farm subsidies in rich nations.

During a two-day visit to WTO headquarters in Geneva, Lamy said this gesture, which must still be accepted by the EU's member states, would offer proof of "flexibility" from the European Union ahead of a key meeting on December 15 aimed at re-launching the Doha Development Agenda.

The meeting is considered by many as the last chance for WTO member states to steer negotiations towards their scheduled conclusion at the end of 2004.

Developing countries said they hoped this gesture by the Europeans would help to unblock the current impasse.

"I think this will lift one of the obstacles in the negotiations," said Burkina Faso's ambassador to the WTO, Kadre Desire Ouedraogo, who said he was more optimistic about reaching an agreement in December.

"This gives us a chance to resolve the divergences that took place in Cancun," he said.

Negotiations in Mexico collapsed when bickering over the Singapore matter added to a more fundamental dispute about agriculture between rich and poor countries.

"Countries in the south will welcome such a decision by the EU favourably," predicted Omar Hilale, the WTO ambassador for Morocco, who met Lamy in Geneva on Wednesday during a meeting with the G90 -- grouping the African Union, the Africa-Caribbean-Pacific and least developed countries.

"The most important thing is that Lamy said the EU's priority is to re-launch the negotiations, whereas beforehand the Europeans had said they would wait for signals from other member states," noted Hilale.

The EU must also convince the Group of 20 (G20) industrialised and developing countries, which include Brazil, India and China, of its new resolve after the two sides clashed in Cancun over farm subsidies.

Mexico, which is also a member of the G20, felt that Lamy's proposal was "a good sign, not only for G20 countries, but for all developing countries," according to its WTO ambassador, Eduardo Perez-Motta.

"If that proposal is indeed put on the table, it would show that the EU are flexible and are showing their commitment to the Doha round without any doubt," he said.

Putting aside the Singapore issues would open the way to return to discussions on agriculture, said Hilale.

Japan eyes FTA with Thailand, Malaysia, Philippines

AFP, *Tokyo*

Japan is likely to start negotiations for free trade agreements with the Philippines, Thailand and Malaysia before the end of this year, a news report said Sunday.

The free trade talks between Japan and the three Southeast Asian countries are likely to start immediately after Japanese and Southeast Asian officials draft reports on the economic benefits of the deals, the Nihon Keizai Shimbun said.

The reports are expected to be drawn up before the special summit between Japan and Association of Southeast Asian Nations (Asean) member countries, due to be held in Tokyo from December 11, the business daily said.

However, the talks are likely to be difficult, since Japan has been reluctant to accept calls for abolishing tariffs on rice, chicken and other agricultural products by Thailand.

PHOTO: AL-ARAFAH ISLAMI BANK

Al-Arafah Islami Bank Limited Chairman Abdul Malek Mollah inaugurates the branch managers' conference of Dhaka zone held in Dhaka recently. Managing Director Yousuf Ali Howlader also attended the meeting.

PHOTO: SIEMENS

Peter Albrich, managing director and chief executive officer of Siemens Bangladesh Limited, hands over a performance award to Imran Rashid of Power Transmission and Distribution division of Siemens Bangladesh in Dhaka recently.

India businesspeople upbeat on economy

AFP, *Hong Kong*

Indian business owners are the most optimistic about prospects for their local economy, while cautious European counterparts lag far behind their Indian and US counterparts, a survey found Sunday.

A global survey of business owners in 26 countries conducted by global tax and accounting firm Grant Thornton, found Indians topped the league table with an optimism against pessimism balance of +83 percent.

Folliwng close behind the Indians were Australian and US business owners with +81 percent and +75 percent respectively.

In Asia, structural economic problems kept Japan firmly pinned at the bottom of the table for the second year running with a pessimistic balance of -46 percent, which nonetheless was an improvement on last year's -75 percent.

However, confidence among Hong Kong business owners showed a dramatic swing to optimism from -30 percent last year to +51 percent in 2003.

"Despite the serious SARS impact, we are please to see that the Hong Kong economy is picking up very quickly and the local business owners are not much more confident in Hong Kong's business prspects," said a spokesman for Grant Thornton, Kevin O'Shaughnessy.

SARS, which originally emerged in China's southern province of Guangdong at the end of last year, caused 299 deaths from nearly 1,800 infections in Hong Kong and devastated the local economy.

The pneumonia-like virus caused almost 800 deaths from some 8,400 infections in some 30 countries worldwide.

Migrant workers blessing for rich economies

AFP, *Geneva*

For years wealthy countries sought to deter immigrants, but computing experts from India, maids from Peru, Polish construction workers and even a Congolese cryptologist are turning into a blessing for the world economy.

Migrant workers inject about 100 billion dollars into the impoverished economies of their home countries every year while states in Europe, North America and Australasia are starting to accept that they fill key gaps in their labour force.

"A large number of developing economies rely substantially on remittances to balance their budgets and to remain afloat, very often remittances are their largest source of foreign earnings," Gervais Appave of the International Organisation for Migration (IOM) said.

Britain's Home Secretary, David Blunkett, earlier this month acknowledged that the country could sustain a net inflow of 172,000 immigrants wanting to work in Britain a year, a figure just above current levels.

Britain, like other west European countries, has seen a surge in immigration through the 1990s and Blunkett's public stance reversed years of negative public statements from political leaders.

The British government estimates that legal migrants make up eight percent of the population but contribute 10 percent of Gross Domestic Product (GDP).

"No modern successful country can afford to adopt an anti-immigration policy. It is in our interests to harness the innovation, skills and productivity that new migrants can bring," Blunkett said.

Canada told an IOM conference in Geneva on Tuesday that it would welcome 220,000 new immigrants this year.

"We are all countries of migration with maybe more interests in common than we would like to admit," Canadian deputy minister for immigration Michel Dorais said.

The number of migrants worldwide has grown over the past four decades, from 75 million in 1965 to 175 million people last year, and the trend is set to continue according to IOM.

A 2001 World Bank study estimated that families in developing countries receive 72.3 billion dollars in remittances from relatives working abroad every year through official channels.

But the IOM believes that payments through official banking channels reach up to 100 billion dollars and the total is even greater once unrecorded cash payments are taken into account.

"The estimate is that it's at least 100 percent more, you're looking at nearly 200 billion dollars," Appave, the IOM's director of migration policy, added.

Official remittances from migrants have grown to outstrip capital market flows and development aid as a source of finance for poor countries, and have proved to be a more reliable source of income as well, World Bank data indicated.

"It's obvious that money transfers are the most important financial inflow for Morocco," Nouzha Chekrouni, the Moroccan minister dealing with the country's diaspora, said.

Developing countries at the IOM conference explained that they needed to harness the trend, partly through bilateral deals with western countries to secure legal access for their nationals to labour markets and to improve their conditions.

The Philippines, India, Sri Lanka, and several Latin American countries are among those which have struck deals with economic powers such as the United States, Spain or Gulf states.

IOM is also helping poor countries to stem the brain drain or to ensure that skills are brought back home along with the money.

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