

GATT talks fail to reach accord

GENEVA, Nov 2: Negotiators at GATT talks failed to meet a November 1 deadline to reach a draft agreement on a new world trade pact, a GATT spokesman said on Friday, reports Reuters.

GATT Chief Arthur Dunkel set the deadline six weeks ago in a bid to force a conclusion to five years of negotiations in the 108 nation Uruguay Round.

But Chief GATT Spokesman David Woods said on Friday, we had asked for a complete text on the table by November 1, that is not the case.

Woods said draft agreements asked for by Dunkel had not been completed in any of the seven negotiating areas including one area Dunkel himself handles — agriculture.

It was agriculture, especially a row over European Community (EC) farm subsidies, that scuttled a previous attempt to conclude a new global pact at a meeting of world trade ministers in Brussels last December.

He said Dunkel and the other chairmen of the negotiating groups would now produce assessments of the progress made in each sector before a meeting next week of the Uruguay Round Steering Group, the Trade Negotiations Committee (TNC).

Woods said Dunkel would present an overall assessment of the state of play to the high level delegates in the TNC, comprising all 108 participants in the Uruguay Round.

The real point is there are still significant political decisions to be made. We are going to indicate where those decisions are to be found, Woods said.

The Uruguay Round, begun in 1986 is the most ambitious

attempt yet to liberalise world commerce and provide it with a trade rulebook for the 21st century.

Although progress has been difficult in all seven negotiating sectors which include intellectual property rights, market access and services, delegates say agriculture is still causing the biggest problems.

But trade sources say that real efforts are being made to end a simmering dispute between the EC and major farm exporters and salvage an agreement from the Uruguay Round.

There have been increasing high level meetings between EC and US trade negotiators over the last few weeks.

Diplomatic sources in London said the four major forces in world trade — the EC, GATT members meet in Geneva next week

GENEVA, Nov 2: Participants in the Uruguay Round of trade talks under the General Agreement on Tariffs and Trade (GATT) are to meet here next week to discuss finishing the negotiations by the target date of the end of the year, a GATT spokesman said Friday, reports AFP.

David Woods said the trade negotiating committee will look at a scenario for the completion of the round.

Obviously, it can only come to the conclusion that at present negotiations have not been completed, he said.

Woods said that the month of November remains a window of opportunity in concluding the negotiations.

Japan, United States and the Cairns Group of Agricultural Exporting nations were meeting on Friday in the British capital to discuss agricultural trade.

The Cairns Group was being represented by Australia, the sources said.

US Agriculture Secretary Ed Madigan is also due to have the first of two meetings with EC Farm Commissioner Ray Macsharry in Ireland next Friday.

Delegates said Dunkel's November 1 deadline had never been set in stone, describing it more as an attempt to force the pace after five years of negotiations.

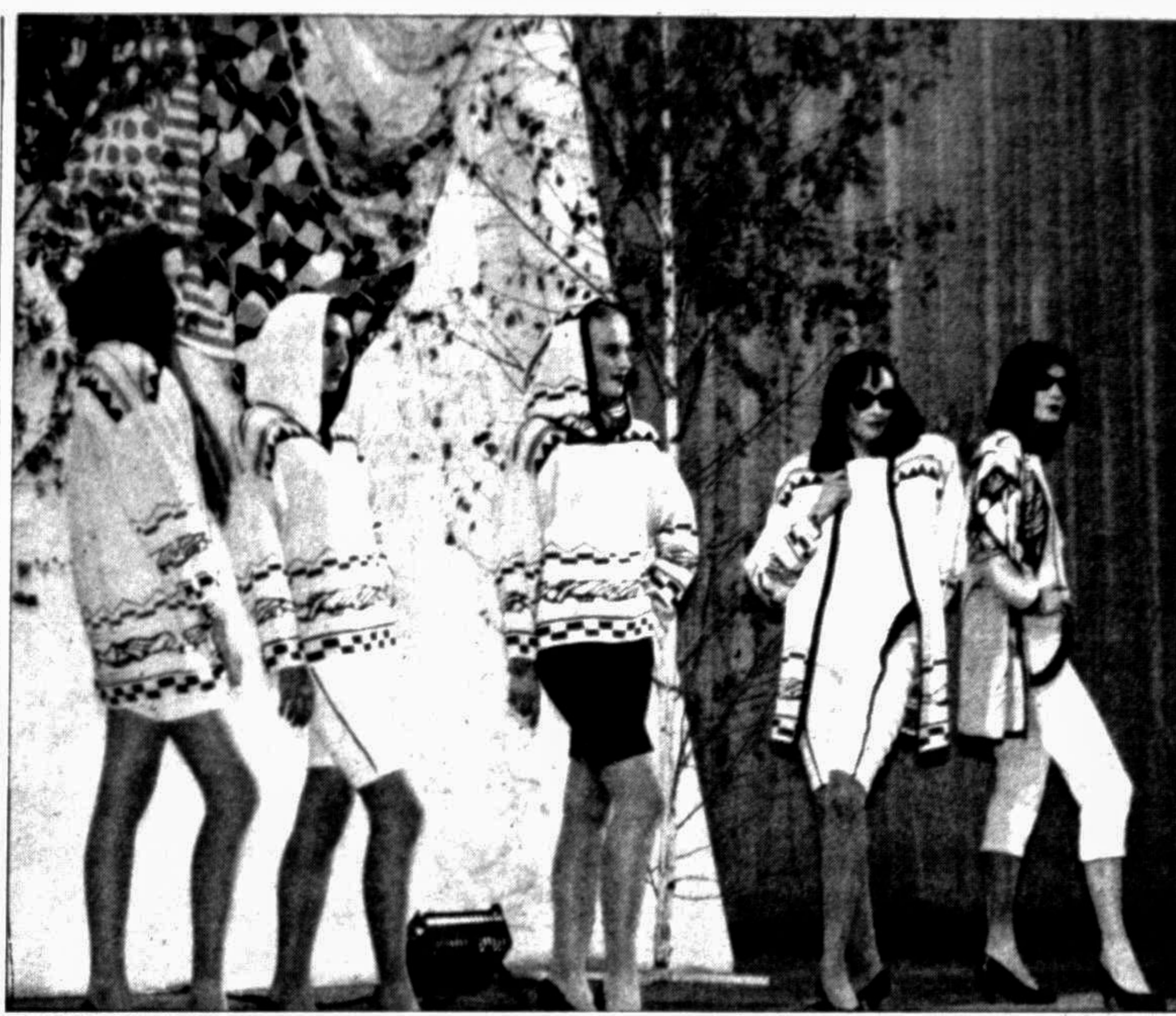
They said factors beyond the control of negotiators in Geneva were now dictating the timetable of the talks.

If after Dunkel's presentation to the TNC next week no progress is made on the outstanding issues, Dunkel might decide to draw up a "take-it-or-leave-it" global package.

Delegates said Dunkel would probably then aim to have that document — a revised version of the failed Brussels accord — ready in time for a meeting of EC farm ministers on November 18.

If the political decisions are not forthcoming by the end of the month, Dunkel risks seeing the trade talks overshadowed by a summit in the Netherlands in December when EC governments plan to finalise an agreement on political and monetary union.

The following year the United States will be preoccupied with its Presidential and Congressional elections and the EC will be choosing new commissioners.



FOLK-STYLE KNITTED GOODS: The international fair Silhouette-91 was held in Novosibirsk, Siberia, recently. A large exhibition of consumer goods — mostly household utensils, folk craft, applied art, clothes and shoes — was unfolded on three floors of the Young Spectators Theatre. Attractive jackets and fur and leather articles attracted visitors. There was a wide choice of household electric and electronic appliances. — Novosti photo

Colombo launches beggar hunt

COLOMBO, Nov 2: Police rounded up more than 1,000 beggars and vagrants in the Sri Lankan capital Colombo Saturday to keep the city clean for a meeting of South Asian leaders commencing November 7, officials here said, reports AFP.

Officials said the beggars were rounded up with assistance from the Social Services Department, packed into government buses and driven to a southern village for rehabilitation.

A senior police official said Saturday's exercise was to prevent beggars and vagrants spoiling the beauty of the city during the South Asian Association for Regional Cooperation (SAARC) summit next week.

"Now there are no beggars in the city. We have cleared them off the streets," the official said, adding some of those rounded up were small children exploited by their parents to earn an easy livelihood.

Shell Oil Co loses further

HOUSTON (Texas), Nov 2: Shell Oil Co., the sixth-largest petroleum company in the United States, reported Friday a third-quarter loss of 14 million Dollars it attributed to 90 million Dollars in restructuring costs and to falling crude prices, reports AFP.

From July to September, Shell's revenues were 5.5 billion Dollars, down 16.6 per cent from the same period last year. The company had made a 227-million-Dollar profit in the third quarter of 1990.

During the first nine months of the year, Shell earned 43 million Dollars on revenues of 16.5 billion, compared to 17.1 billion Dollars in the first nine months of 1990.

Shell did not report on earnings per share because it is solely owned by the Royal Dutch-Shell Group of Companies.

The company mostly attributed its bad third-quarter showings to a significant drop in crude oil prices, which averaged five Dollars per barrel lower than during the same three-month period last year.

Seoul bank employees protest BCCI sackings

SEOUL, Nov 2: About 250 unionised employees of foreign banks joined in a protest against the sacking of 69 local employees of the shuttered local branch of the Bank of Credit and Commerce International (Overseas) Ltd (BCCI), reports Reuters.

The demonstrators and the dismissed employees later dispersed peacefully.

Liquidators dismissed local staff at the end of October. The branch was closed on July 6.

Staff have demanded compensation equal to five years' salary, totalling 7.19 billion Won. The liquidators have asked BCCI to pay the staff compensation of 2.9 billion.

Japan's current account surplus doubles

TOKYO, Nov 2: Japan's runaway current account surplus continued to gain steam in September, nearly doubling from the same month a year ago as imports slumped, reports Reuters.

The nation's unadjusted current account surplus widened to 8.83 billion Dollars from 4.63 billion a year earlier, the Finance Ministry (MOF) said on Friday.

"The surplus is going to continue to grow, but not because of exports," said Paul Summerville, economist at Jardine Fleming Securities Ltd in Tokyo. "We are seeing a collapse of import growth."

Despite predictions by many economists to the contrary, a MOF official tried to play down the politically sensitive numbers, telling reporters he did not believe the recent expansion in Japan's current account surplus would continue.

"We don't think Japan's current account surplus has structurally been on an up-trend," he told reporters.

The merchandise trade surplus was largely responsible for the gain, climbing to 10.95 billion Dollars from 7.77 billion in September 1990, with economists laying the blame squarely on weak import growth.

Imports sagged to 16.04 billion Dollars for the month against 17.39 in September 1990.

While softer economic conditions have stunted demand for luxury goods such as European automobiles and art work, several one-off factors weighed heavily on the data.

In September 1990, oil prices climbed in the lead up to the Gulf War and gold imports were unusually high because many securities houses had set up Gold-investment funds. Both sent imports up sharply, making this year's look small in comparison.

Kazuko Mizuno, economist at Baring Securities (Japan) Ltd, said that as much as 90 per cent of the cause behind the weaker imports can be attributed to distortions of a year ago.

As the full impact of Japan's slowing economy continues to feed through into the trade figures, however, imports will remain on weak footing, Mizuno added.

Pak, US to discuss aid restoration

ISLAMABAD, Nov 2: Officials of Pakistan and the United States will discuss the restoration of aid to Pakistan and other issues during a visit here by US Under Secretary of State for International Security Reginald Bartholomew next week, reports Xinhua.

Local press reports today said the US government stopped its aid of about 600 million US Dollars to Pakistan in October 1990 because the US believed that Pakistan was making a nuclear device.

Under the Pressler amendment of the US Congress, the US President should make certification every year before sanctioning aid to Pakistan that this South Asian nation does not possess a nuclear explosive device and that the continuation of the American assistance and military supply programme will significantly reduce the risk of it.

Pakistan was the third largest economic and military aid receiving country of the United States after Israel and Egypt before the US suspended the aid.

The reports said that Washington was prepared to help Pakistan if it met the requirements of the Pressler law that Pakistan should stop its nuclear programme and open its nuclear facilities to the supervision of international nuclear authorities.

US denies currency pressure, says Hanoi

SINGAPORE, Nov 2: The US government has sent Vietnam a denial of reports it had told major non-US banks to stop arranging of transactions with the Vietnamese, a senior Hanoi official said Friday, reports AFP.

Deputy Foreign Minister Vu Khoan made his remarks at a news conference after a two-day visit here by Prime Minister Vo Van Kiet on the last leg of a swing that also took them to Indonesia and Thailand.

Financial sources in Hanoi reported last month the Vietnam had stopped using Dollars for international transactions following a crackdown by Washington on banks said to be violating the US trade embargo against the southeast Asian country.

But Khoan asked about the measure said the situation was not clear.

During my stay in Bangkok I accepted one letter from the United States which informed me that this is not true, the Vietnamese officials said, without elaboration.

Singapore still major financial centre

SINGAPORE, Nov 2: Singapore managed to maintain its position as one of the leading financial centres despite difficult worldwide market conditions according to a report by the Singapore Foreign Exchange (FOREX) market committee released Thursday, reports AFP.

The 1990-1991 annual report said Singapore ranked in fourth place behind London, Tokyo and New York with a daily average foreign exchange turnover of 96 billion US Dollars in October 1990. The October 1990 turnover was an all-time high.

After October 1990, volume had declined to a daily average of 70 billion US Dollars since May this year, the report said.

A cautious mood in Japan contributed to the reduced activities here. A rapid increase in more liberal financial policies by neighbouring countries was also said to be a factor for the reduced activity here.

MAS said banks recorded pre-tax profits of 935 million US Dollars

First coalmine privatised in Hungary

BUDAPEST, Nov 2: Hungary's northern Dorog Coalmines became the country's first private mine after 45 years of state administration on Thursday, reports AFP.

Hungarian entrepreneurs, headed by private investment group Hepta bought a 54 per cent stake in the mine, to be operated as a corporate venture.

The remaining 46 per cent stake is shared by the mine's 13 largest creditors, including the Hungarian State Railways, Budapest Bank and the National Inland Revenue Office.

Dorog coalmines was capitalised at 1.4 billion Forints (about 18.7 million Dollars), and the new management decided to retain more than 90 per cent of its present workforce of 2,300, the agency said.

Hungary's transport cost to go up by 35 pc

BUDAPEST, Nov 2: Public transport prices in Budapest will go up by an average 35 per cent from January 1992 following a decision by the Municipal General Assembly Thursday, MTI news agency said Friday, reports AFP.

Budapest Mayor Gabor Demaszky said that the 1991 balance of the Budapest Transportation Company (BTC) showed a deficit of 700 million Forints (almost a million Dollars).

Tough measures taken at BTC this year included the dismissal of 1,500 of its workforce and heavy-drawing on the company's reserves, he said.

He pointed out that the company would need an income between 29 and 31 billion Forints (between 387 and 413 million Dollars) next year only to avoid the effects of inflation, and the capital could offer no further subsidies.

Several members of the assembly, however, said that people were already at the end of their tether and would be unable to pay the new fares.

India starts arms export drive

NEW DELHI, Nov 2: India has launched a major new arms export drive, targeting Soviet dependent countries hit by Moscow's economic slump, the Press Trust of India (PTI) said Friday, reports AFP.

The new drive, launched by Defence Minister Sharad Pawar, set an annual target of 384 million Dollars in military sales more than seven times the 52.6 million realised last year, the agency quoted defence experts as saying.

Calling the target ambitious, compared to the previous target of 153 million Dollars, PTI said arms offered on the international market would include mountain and field guns, tanks and spare parts for Soviet-made equipment.

It also said intensive consultations were already underway with Soviet companies for the setting up of joint defence ventures in developing countries and the export of Soviet made equipment from India to other countries.

Since the Soviet economic crisis deepened and Moscow began demanding hard currency for arms exports India has received numerous enquiries from some of the 45 countries using Soviet-made equipment and in urgent need of spare parts and replacements PTI said without naming the countries.

An understanding on the re-export of Soviet-made equipment from India was enhanced during a recent visit to Moscow by Indian Minister of State for Defence Krishna Kumar, it added.

Though that visit had all but been invalidated by the recent coup attempt in the Soviet Union, Parwar himself was expected to make a follow up visit in the near future PTI said without naming a date.

India, the fourth largest arms manufacturer in the developing world, has only recently entered the export market but has already sold 105 and 130 millimeter long range field artillery pieces to both Vietnam and Yugoslavia.

There is a tremendous demand for field guns, tanks and recoilless guns and we can meet these PTI quoted an unnamed officer in charge of ordnance factories as saying.

Unemployment hits US economy

WASHINGTON, Nov 2: The United States got more bad news on its sluggish economy on Friday as the government said unemployment had risen and the longer-term outlook showed no sign of improvement, reports Reuters.

The bleak report fuelled speculation that the Federal Reserve Central Bank may be forced to cut interest rates again, possibly early next week, to give the stalled economy a kick to get it moving out of recession.

The jobless rate rose to 6.8 per cent in October from 6.7 per cent while payrolls unexpectedly fell, the Labour Department said in the government's first report of how the economy performed last month.

The Commerce Department's Index of leading indicators, designed to forecast economic activity about six months into the future, slipped by 0.1 per cent in September after being unchanged in August. It was the first decline since the index fell 0.6 per cent in January.

The Fed's policy-making open market committee is scheduled to meet on Tuesday to discuss the economy and interest rates.

The Fed has already cut the rate it charges member banks for loans four times since December.

Many economists had expected the Fed to cut the rate a half-point on Friday morning in response to the economic data, and now looked for a rate cut early next week.

"As far as the Fed is concerned, the handwriting is on the wall," said Ward McCarthy of Stone and McCarthy Research Associates Inc.

Southwest Bank of St. Louis, often a rate trendsetter, trimmed the prime rate charged on loans to its best customers to 7.75 per cent from eight per cent.

Hanoi keen to join regional groups

SINGAPORE, Nov 2: Vietnam said Friday it wanted to become a partner in regional cooperation efforts and discuss membership in various organisations including the Association of Southeast Asian Nations (ASEAN), reports AFP.

Hanoi also announced at the end of a two-day visit here by Premier Vo Van Kiet that Singapore would soon send a business delegation to Vietnam to discuss investment opportunities — even before the lifting of an official ban here.

Vietnamese Deputy Foreign Minister Vu Khoan told a news conference Kiet had registered "significant successes" here and in earlier stops in Indonesia and Thailand on a fence-mending tour after settlement of the Cambodian conflict.

Among them, he said, was support for Hanoi to sign the 1976 treaty of amity and cooperation in Southeast Asia which links ASEAN members Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, as well as Papua New Guinea.

Khoan said the tour opened "a new stage" in relations between Hanoi and its non-communist neighbours, adding "Vietnam wants to cooperate with all countries in our region. It is our priority".

He said the next step after signing the 1976 treaty, expected to be approved at the ASEAN summit in January, would be for Vietnam to participate in the annual dialogue sessions ASEAN foreign ministers hold with their main partners.

Membership in ASEAN itself would be a "long-term" matter, Khoan said. He said Hanoi had not yet applied, but added: "In future I think probably Vietnam will be a member of other members of ASEAN accept."

Russians crowd shops to absorb Yeltsin's shock therapy plan

MOSCOW, Nov 2: Russians have responded to President Boris Yeltsin's decision to embark on drastic economic reform with a frenzy of buying, before price controls are lifted, reports AFP.

In the days following Yeltsin's dramatic announcement Monday to the Parliament and the Russian people, Russians have been flocking stores, purchasing whatever they can.

The Yeltsin shock therapy program includes a plan to free prices, privatise large sections of state-owned industry and create a Russian currency. He called his decision the "most difficult in my life."

Conversation in the lines outside stores in the capital was increasingly bitter as ordinary citizens contemplated Yeltsin's message: "That times would get even worse, before they got better." There may be more merchandise, but we won't be able to pay for it," said one housewife, interviewed as she exited from a state store in downtown Moscow.

For the past three winters, the worst predictions — of collapse, famine, total deprivation — have failed to materialise, but at the approach of this winter no one is in a predicting mood.

Some state stores have been designated by municipal authorities to proceed with "experimental" lifting of price controls, to test public reaction.

One meat store, which earlier in the week was offering subsidized prices, by mid-week was selling smoked sausages — the only product its shelves — at 15 Roubles (nine Dollars) for 1000 grams.

"That's worth a whole day's work," said one shopper indignantly before turning away.

The Vice-President of the Russian parliament's price tax and planning commission has criticised the Moscow Mayor's Office for its experiments with prices, before official measures are actually announced, arguing that "they are only serving to irritate the public."

According to the independent news agency Interfax, a similar experiment is being conducted at the eastern most edge of the vast Russian Federation. In Sakhalin, regional authorities have decided to triple the price of meat, milk, butter and sausage beginning Friday because "subsidies for food products are coming to an end," Interfax said.

Ahead of actual government measures, there has been a flurry of false reports and rumors.

Russian Radio said price controls would be lifted beginning Friday, but officials have denied the report. "No decree has yet been signed by Parliament," the head of the parliament's Price Commission said.

Unions have been waging a campaign for higher wages, based on the slogan, "market salaries for market prices." But they have yet to announce a strike in response to the Yeltsin shock therapy programme which many Muscovites are likening to the Polish experience.

But the architects of Yeltsin's economic reform plan see no room for wage increases. The Pravda newspaper commented: "first people have to learn how to work."

Politicians are now nearly unanimous in seeing the need for a lifting of price controls. But many want to see prices freed step by step and sector by sector, while maintaining subsidised prices on certain products.

More than half of all Russian families are now living below the poverty line, Yeltsin said in his address Monday.

The average pensioner has a monthly income of 120 Roubles (72 Dollars), with average monthly wage just a little over 400 Roubles (240 Dollars).

Roy Medvedev, a Communist Member of Parliament, has warned that an end to price controls will mean the "gap between the haves and the have-nots will widen."

Russians have lived through one round of price hikes, decided last April by the Soviet government then headed by Valentin Pavlov.

Form one day to the next, prices doubled, but wages were subsequently increased under pressure from the unions.

And the earlier price hikes did not affect all products, whereas the Yeltsin plan will aim at creating real market prices across the board.

Frank Nylas, 71, said he had been a flight engineer with Pan Am for 48 years. Nylas said he is switching to Delta, but he's still bitter about what's happened.

"I'll tell you what caused this, bad management, nothing else. It wasn't the employees, they were the best," Nylas said.

At an airport farewell ceremony, former Pan Am airport employees in Frankfurt flattered when station manager Ray McIntyre choked back sob as he recalled the airline's history in Germany from the "Berlin Airlift to Desert Storm."