

# New bid for GATT world trade pact

GENEVA, Sept 17: Amid cautious optimism that a looming threat to the world economy can be averted, officials from more than 100 countries on Monday launched a fresh bid to clear the way for a new pact to liberalise international trade, reports Reuters.

Hanging on the outcome of their negotiations, expected to last several weeks, is completion of a long-delayed GATT agreement reducing tariff barriers, setting rules for trade in services and protecting intellectual property rights.

The search for the accord was launched in 1986 in Uruguay at a ministerial meeting of member states of the Geneva-based GATT the general Agreement on Tariffs and Trade but stalled last December in a dispute over farming subsidies.

But after a meeting in the French city of Angers last week, Trade Ministers from key players in the dispute the United States, the European Community (EC), Japan and Canada suggested that a solution could be in sight.

Following an earlier session of expert-level discussions in the summer, GATT's Director General Arthur Dunkel put forward a package of proposals which trade sources said would be at the centre of the discussions which started on Monday.

Dunkel, who said in July the resumption of what is known as the "Uruguay Round" of negotiations would mark a decisive phase, was himself leading vital agricultural discussions, a GATT spokesman said.

At the centre of the dispute are EC farm subsidies, which the United States and other major agricultural producers in the developed and developing world want cut deeper and faster than the European groupings is ready to accept.

GATT officials say that a failure to resolve the squabble and complete the round in coming months could cause a progressive collapse of international cooperation.

"With the former Communist countries of Europe calling out for help

Businessmen lack confidence: Thai PM

BANGKOK, Sept 17: Thai businessmen have built up a reputation for aggressiveness in some quarters but Prime Minister Anand Panyarachun thinks the image is unwarranted and that all too often they lack confidence, reports AFP.

The 59-year-old Premier, commenting on his government's efforts towards deregulation at a gala dinner of leading businessmen here yesterday, chided Thai businessmen of too often being like oysters not daring to come out of their shells.

"Sometimes they want to come out of their shell. But sometimes they don't have the courage and confidence to be on their own. They keep wavering between the two," Anand said.

The Premier, however, said he had confidence in the Thai business community. "I know they have the capability to face competition" in the world market, he said.

But he warned, "It is now time for industry to adjust and improve itself."

When he took over the premiership following a military coup earlier this year Anand resigned from the chairmanship of the Saha Union Trading Firm, one of Thailand's business giants.

Thailand steps up security ahead of WB, IMF meet

BANGKOK, Sept 17: Thai police are tightening security in preparation for the meeting of the World Bank (WB) and International Monetary Fund (IMF) here next month, a senior police official said Monday, reports AFP.

Deputy Metropolitan Police Commissioner Charuk Mekavichien said police would take a tough line against crime and tighten measures to prevent "blacklisted people," mostly those linked with terrorist activities, from entering the country.

"This doesn't mean that Bangkok is a crime-hardened city. We are and have been tough on these things. But as the meeting is coming near, we just want to make sure that every thing will proceed smoothly," Charuk said.

Crimes high on the police list are robbery, merchandise scams, overpricing and arms smuggling, he said.

Around 8,000 police are to be mobilised to provide security for the upcoming World Bank/IMF meeting, which will be attended by more than 10,000 delegates from around the world between October 15/17.

OECD predicts upturn in world economy

DRESDEN (Germany), Sept 17: A leading group of economic forecasters predicted on Monday an upturn in the world economy but said inflation remained a major problem, reports Reuters.

The Working Party 3, a group of finance ministry and central bank officials from countries in the Organisation for Economic Cooperation and Development (OECD), also said that budget deficits were still too high.

But the experts were satisfied with exchange rate levels.

Deputy Bundesbank President Hans Tietmeyer, who chaired the meeting in Dresden, said inflation in Western industrialised countries was likely to average some four per cent in 1992 after 4.5 per cent in 1991 and five per cent in 1990.

"But inflation of four per cent continues to be a problem

'Swift transition can't prevent rapid inflation'

MANILA, Sept 17: A "big bang" transition to a market economy could be disastrous for socialist nations in Asia despite the political attractiveness of the strategy, an American economic expert warned here today, reports AFP.

Ronald McKinnon, a professor of Stanford University, told delegates to an Asian Development Bank (ADB) conference on planned Asian economies here that a swift transition cannot prevent rapid inflation unless a new system of financial controls and an entirely new set of institutions were in place.

A statement quoted him as saying that Yugoslavia and the Soviet Union, which are experiencing high inflation, were "unravelling too quickly to serve as an economic laboratory" for the change from planned to market economies.

The world's attention

Rejection of base treaty lowers Philippine stocks

MANILA, Sept 17: The Philippine stock markets fell today on the Senate's rejection of a treaty extending the lease of US military bases in this country, Bourse spokesmen said here, reports AFP.

At the Manila Stock Exchange, the composite index fell 1.4 per cent to 905.7 points while the composite at the suburban Makati Stock Exchange fell 1.3 per cent to 915.58 points.

The stock market has been performing poorly for the past week due to the impending rejection of the treaty, compelling US forces to pull out of this country by September 1992.

The American military pull-out is widely expected to cause an economic slowdown due to the loss in US assistance and bases-related compensation.

Food supply to Soviet republics may not be disrupted

MOSCOW, Sept 17: Supply of food to the Soviet Republics will not be severely disrupted despite a nation wide shortage of grain and sugar, Russian Prime Minister Ivan Silayev said Monday, reports AFP.

The country will live through the forthcoming winter normally, the official Tass news agency quoted Silayev as saying.

According to Tass, Silayev said shortages of other foodstuffs varied regionally and said the republics were coordinating their efforts, through the central authorities in Moscow, to purchase food from abroad.

He also said Soviet President Mikhail Gorbachev and the other 10 members of the Executive State Council would sign an agreement on radical agricultural reform before the end of the month but the report gave no more details.

Soviet republics approve plan for economic links

MOSCOW, Sept 17: Soviet republics have cautiously approved a plan for linking their collapsing economies but the country's stability was dealt another blow by ethnic violence and political unrest on the volatile southern fringe, reports Reuters.

As Western efforts to help Soviet Union get through the winter gained momentum, Caretaker Prime Minister Ivan Silayev said on Monday most republics had agreed on ways of coordinating purchases of food from abroad and on its distribution.

A meeting of President Mikhail Gorbachev and 10 Republican leaders ended with an agreement in principle on preserving a loose economic union similar in many respects to the European Community.

In Georgia, about 10,000 people demanding the resignation of President Zviad Gamsakhurdia marched on his headquarters and demonstrated outside the republic's television station.

Most Republican leaders were in Moscow for Monday's meeting of the State Council, a transitional body set up to rule the country until creation of a new political confederation.

Only the three newly-independent Baltic states were absent along with Georgia and Moldova who are also seeking to secede.

Moscow Radio said the State Council members approved in principle a plan for an economic union drawn up by a team of economists led by radical Grigory Yavlinsky.

Earlier reports says: Soviet

Consumer spending falls in UK

LONDON, Sept 17: A surprise fall in British consumer spending announced on Monday jolted hopes of an early end to the recession and dampened speculation of a November general election, reports Reuters.

Government figures showed retail sales unexpectedly fell by 1.4 per cent in August compared with July, reversing a two-month trend that had suggested a recovery in consumer confidence.

A government official said Prime Minister John Major was "in no hurry" to call in election, despite mounting speculation that he might do so in November.

"The Prime Minister's view is that the economy is getting better..... prospects are good..... but he's got an enormous amount of work to do," the official said.

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toget their economies operational, and poverty growing in the Third World, we cannot afford to let this drag on much longer," said one diplomat close to the talks.

After the Angers meeting, US Trade Representative Carla Hills said what she described as a "candid sharing of position" might have given a political nudge to the GATT negotiations — likely to focus on technical issues until mid-October.

EC Trade Commissioner Frans Andriessen said he was more confident that there was strong determination to complete the Round set as a key priority by the leaders of the Group of Seven (G-7) major industrial powers in London in July.

But there were clear signs of continuing differences, with Hills insisting that the ball was

progress of the agricultural discussions, the sources said.

Last December, developing countries pulled out of negotiations when the EC and the United States failed to resolve the farm row. In July, they called on the West to give their economies breathing space by ending the round successfully.

Industrialized countries are seeking commitments from the rest of the world to reduce restrictions and open up trade in growing service industries, such as banking, insurance, telecommunications and marine transport.

On the protection of intellectual property — which includes patents, copyrights and trademarks — sources close to the GATT talks said a detailed text of an agreement was ready for discussion in the coming weeks.

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Govt firm to remove economic disorder, indiscipline: Khaleda

Prime Minister Begum Khaleda Zia on Tuesday said that socio-political and economic infrastructures should be built up of an emergency basis to meet the needs of development and democracy in the country, reports UNB.

It is the greatest need of the hour in the backdrop of existing realities and resource constraints, she said inaugurating a seminar on "Bangladesh in the Nineties" Society, Polity and Economy" at the Bangladesh Institute of International and Strategic Studies (BISS).

Terming the country's present literacy rate as frustrating, the Prime Minister said conscious and educated citizenry are the precondition for the success of democratic system.

The government will undertake vigorous steps towards removing illiteracy and expansion of adult education, Begum Zia said calling for motivating people in this regard.

The Prime Minister said rural development, increasing agricultural output, removing illiteracy and achievement of self-reliance were the keys to national progress.

"We need to identify our shortcomings and ensure optimum use of available resources," she said pointing that "we ourselves have to work to change our own fate."

She underlined her government's firm determination to discharge the responsibilities with the objective of realising the 19-point development programme of Late President Ziaur Rahman.

Mentioning the current national budget, she said it depicts the condition of the national economy as well as the government's firm pledge to remove the economic disorder, indiscipline and corruption set by the past autocratic rule.

She said despite shortcomings, we have to be particularly careful to ensure that we enter with all preparation conforming to the needs of the coming century.

BISS adds: Begum Zia said the devastating impacts of the April cyclone had focussed the country's attention to the environmental problems. The problems of environment has assumed an alarming dimension for the whole world in general and the Third world in particular," she said.

Stressing the necessity to develop strategies and technologies to maintain environmental balance, she said the developing countries today need to be alerted about this environmental hazard.

Seoul denies drilling for oil in Chinese water

SEOUL, Sept 17: South Korea said Monday it was drilling for oil in its national waters, not in those of China as Beijing has claimed, reports AFP.

The Foreign Ministry said in a statement that the government wished "to reaffirm that the area where the exploration programme is being carried out is within the jurisdiction of the Republic of Korea in accordance with the principle of Median line established by the international law."

The statement was issued after the Chinese Foreign Ministry demanded in a statement on Saturday that South Korea halt drilling for oil "in the waters of China" in the Yellow Sea which divides the two countries.

The South Korean statement added that Seoul was willing to enter into discussions at any time with Beijing "in the spirit of cooperation" on the question of demarcation of the continental shelf areas in the "West Sea," as Seoul refers to the Yellow Sea, and the east China Sea.

South Korea has expressed its willingness to have talks on the matter with China several times in the past.

China and South Korea have not diplomatic relations, but trade ties between the two countries are flourishing.

French consumer prices up

PARIS, Sept 17: French consumer prices rose by between 0.2 per cent and 0.3 per cent in August, taking the increase during the previous 12 months to three per cent, provisional official figures showed on Monday, reports AFP.

Prices had risen by 0.4 per cent in July, and have risen by 2.1 per cent between January and August, the figures showed.

The French performance increased the difference between French and German rates to 1.1 percentage points from one percentage point the previous month.

In August the 12-monthly increase in Germany was 4.1 per cent, other examples of rates in Europe in August were: Spain 3.8 per cent, Britain 4.7 per cent, Italy 6.7 per cent.

The French Economy Ministry said that the figure pointed to a "profound easing" of inflation.

Bush-Kohl agree on Soviet need

WASHINGTON, Sept 17: President George Bush and German Chancellor Helmut Kohl agreed on Monday that humanitarian aid must be provided quickly to the Soviet Union but refused to endorse an overall western aid plan until economic reforms have been implemented, reports Reuters.

"The United States positions and the German positions are very, very close," Bush told reporters following talks with the German leader.

Kohl, Soviet President Mikhail Gorbachev's closest friend in the West, said he and Bush agreed that overall aid to the Soviet Union was contingent upon economic reforms.

The pre-conditions for everything else is that in the Soviet Union a sound, and stable economic framework is launched, Kohl said.

"Only on the basis of that is then the West in a position to actually help and assist the Soviet Union in its further development," said Kohl, who has been spearheading a drive to support the Soviet Union with vital financial backing from the West.

Both men said they did not discussed specific humanitarian aid or general aid packages.

"We still feel and I think the Chancellor does, they've got to get on with the reforms," Bush said, "so people know who you're dealing with."

"We'd like to move as expeditiously as we can, but we are not there," the President said.

Treasury Secretary Nicholas Brady and Federal Reserve Chairman Alan Greenspan fly to Moscow today to meet Gorbachev, Russian President Boris Yeltsin and other senior

Inflation falls in Finland

HELSINKI, Sept 17: The annual inflation rate in Finland fell below four per cent in August, the central statistical office announced here, reports AFP.

Consumer prices increased 3.6 per cent in August from the same month in 1990 after a four per cent inflation rate in July.

Annual inflation stood at 6.2 per cent in August last year.

UPI begins partial layoff

WASHINGTON, Sept 17: United Press International began laying off some of its staff on Monday and more layoffs were planned for today, a spokesman for the American Wire Service said, reports Reuters.

"We have begun the layoffs," said UPI spokesman Mill Capps.

"It is the first step of a planned, phased series of layoffs," he said.

But he would not disclose the number of employees to be laid off beyond saying it would be fewer than the 150 that UPI has said it needs to let go to attract a buyer for the financially strapped news agency.

Capps said some UPI employees had received layoff notices on Monday and others would receive them on Tuesday.

UPI, which on August 28 filed for protection from its creditors under Federal Bankruptcy Law, announced last week it wants to lay off 135 unionised staffers and 15 managers.

The 84-year-old wire service hopes the resulting cost savings will make it more attractive to potential corporate suitors.

It was UPI's second bankruptcy filing in the past six years.

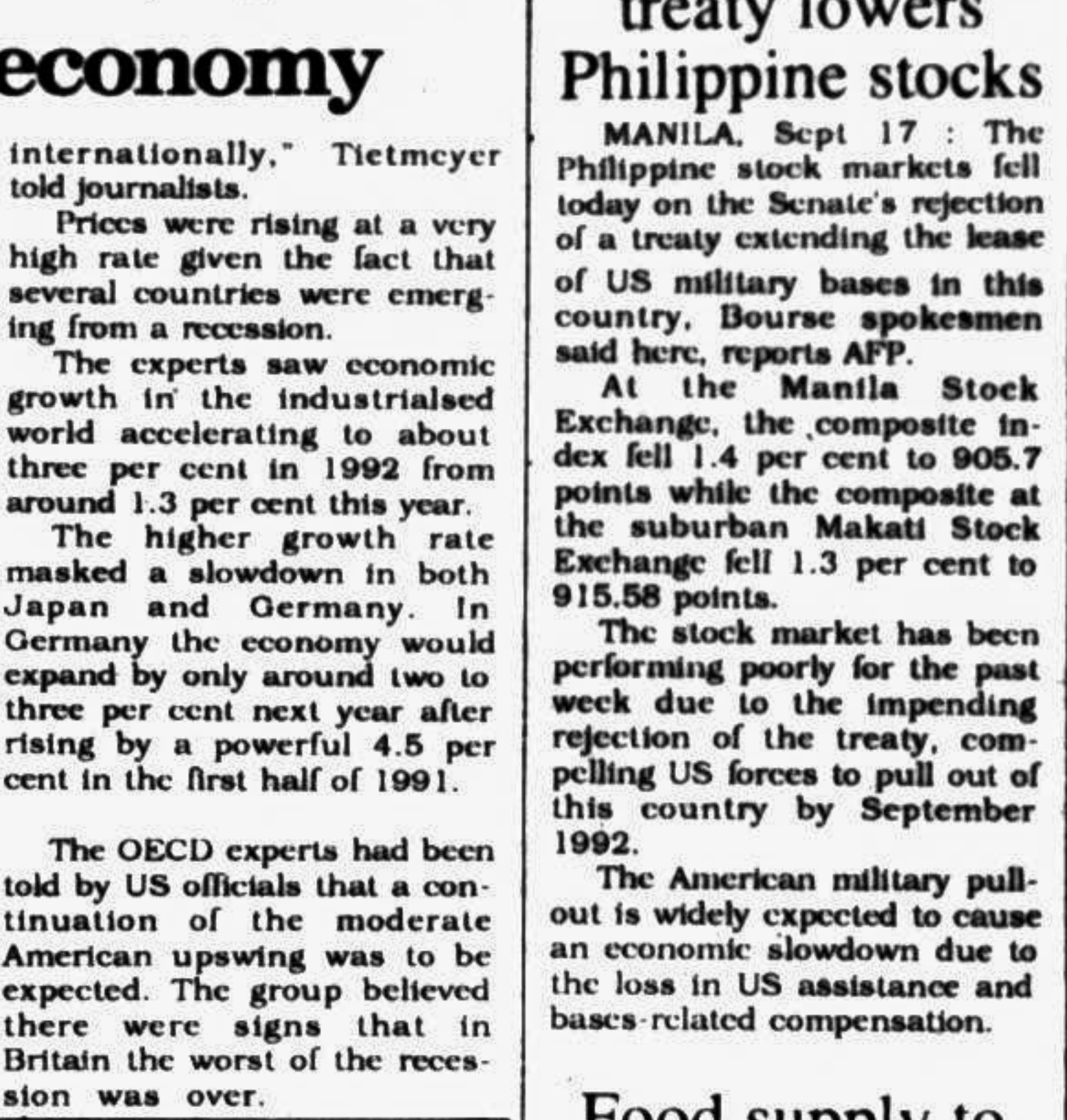
Capps said the wire service has informed the federal bankruptcy court of its intention to make the layoffs though it does not require court approval to carry them out.

But UPI continues to seek court approval to void certain contract provisions including severance pay requirements and other worker protections, he said.

The wire service's 376 unionised employees have been working for 60 per cent of the pay due them under their contract.



Prime Minister Khaleda Zia addressing a three-day national seminar on 'Bangladesh in Nineties: society, polity and economy' at BISS, Tuesday.



Syed Deedarul Alam, Director, Eastern Insurance Company Ltd addressed the Branch Managers Conference of EICL on Thursday last. Seen on his right are: S. M. Rahman and Khondkar Habibur Rahman Managing Director & Executive Vice President respectively and on the left Md. Rafiqullah Senior Vice President of the Company.



Same as above caption.

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