## New bid for GATT world trade pact

OECD predicts upturn

in world economy

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

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 intellectual protecting 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" o 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.

the former Communist countries o Europe calling out for help

#### Businessmen lack confidence: Thai PM

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

The 59-year-old Premier, commenting on his govern ment's efforts towards deregulation at a gala dinner of lead ing 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 scnior 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 attended by more than 10,000 delegates from around the world between October 15/17.

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-

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

DRESDEN (Germany), Sept

17: A leading group of eco-

nomic forecasters predicted

on Monday an upturn in the

world economy but said infla-

tion remained a major prob-

The Working Party 3,

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

fled with exchange rate levels.

dent Hans Tietmeyer, who

chaired the meeting in

Dresden, said inflation in

Western industrialised coun-

tries was likely to average

some four per cent in 1992

after 4.5 per cent in 1991 and

"But inflation of four per

MANILA, Sept 17: A "big

bang" transition to a market

economy could bedisastrous

for socialist nations in Asia de-

spite the political attractive-

ness of the strategy, an

American economic expert

warned here today, reports

fessor of Stanford University,

told delegates to an Asian

Development Bank (ADB) con-

ference 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 in-

A statement quoted him as

saying that Yugoslavia and the

Soviet Union, which are expe-

riencing high inflation, were

"unravelling too quickly to

serve as an economic labora-

tory," for the change from

The world's attention

planned to market economies.

stitutions were in place.

Ronald Mckinnon, a pro-

cent continues to be a problem

five per cent in 1990.

But the experts were satis-

Deputy Bundesbank Presi-

lem, reports Reuter.

too high.

itself struggling with agricultural reforms that could pose a political and social threat to some European governments.

Andriessen rejected her

assertion that a GATT accord

would have to wait up to six

months after the EC finalised its own reforms, arguing that agreement within the Community would be a sufficient catalyst. At the same time, Trade sources in Geneva say the French refusal last week to allow the EC to increase

import quotas for meat from Eastern Europe suggested that the political muscle of farming lobbies could still undermine any agreement.

The outcome of talks on the other key areas of the Round resuming over coming days will largely depend on the

internationally," Tietmeyer

Prices were rising at a very

The experts saw economic

The higher growth rate

high rate given the fact that

several countries were emerg-

growth in the industrialsed

world accelerating to about

three per cent in 1992 from

masked a slowdown in both

Japan and Germany. In

Germany the economy would

expand by only around two to

three per cent next year after

rising by a powerful 4.5 per

told by US officials that a con-

tinuation of the moderate

American upswing was to be

expected. The group believed

there were signs that in

Britain the worst of the reces-

should turn away from Eastern

Europe to the planned

economies of China, Laos,

Mongolia, Burma, and Vietnam

which have achieved consider-

able successes in the process

of reforms and offer useful

lessons to Eastern Europe, he

fiscal side, a modern tax sys-

tem has to be developed to re-

place the former method of

appropriating surpluses from

state enterprises, the state-

Vietnam shows that as an

economy moves from a

planned to a market one, state

revenues decline as more

profit remains in private hands

resulting in growing budgetary

deficit and increasing infla-

form of land tax in the agricul-

tural sector as well as a

Mckinnon advocated some

tionary pressure:

Evidence from China and

Mckinnon said that on the

was quoted as saying.

sion was over.

'Swift transition can't

prevent rapid inflation'

The OECD experts had been

cent in the first half of 1991.

around 1.3 per cent this year.

told journalists.

ing from a recession.

progress of the agricultura 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 speace 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.

### Rejection of base treaty lowers

MANILA, Sept 17: The

At the Mantla 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

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

The American military pull-

#### 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, Silavey 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. lie 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 debroadly based value added tax.

# Philippine stocks

Philippine stock markets fell today on the Scnate's rejection of a treaty extending the lease of US military bases in this be built up of an emergency country. Bourse spokesmen said here, reports AFP. velopment and democracy in

915.58 points.

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

# Aid depends on economic reforms

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

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

> been implemented, reports

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.

Prime Minister Khaleda Zia addressing a three-day national seminar on Bangladesh in

Govt firm to remove economic

disorder, indiscipline: Khaleda

sion of adult education, Begum

Zia said calling for motivating

ral development, increasing

agricultural output, removing

illiteracy and achievement of

self-reliance were the keys to

shortcomings and ensure op-

timum use of available re-

sources," she said pointing

that "we ourselves have to

ernment's firm determination

to discharge the responsibili-

ties with the objective of real-

ising the 19-point develop-

ment programme of Late

tional budget, she said it de-

picts the condition of the na-

tional economy as well as the

government's firm pledge to

remove the economic disor-

Bush-Kohl agree on Soviet need

Mentioning the current na-

President Ziaur Rahman.

She underlined her gov-

work to change our own fate."

"We need to identify our

The Prime Minister said ru-

people in this regard.

national progress.

Nineties: society, polity and economy at BIISS, Tuesday.

Prime Minister Begum

Khaleda Zia on Tuesday said

that socio- political and eco-

nomic infrastructures should

basis to meet the needs of de-

It is the greatest need of

the hour in the backdrop of

existing realities and resource

constraints, she said inaugurat

ing a seminar on "Bangladesh

in the ninetics " Society, Polity

Bangladesh Institute of

International and Strategic

sent literacy rate as frustrat-

ing, the Prime Minister said

conscious and educated citi-

zenry are the precondition for

the success of democratic sys-

take vigourous steps towards

removing illiteracy and expan-

The government will under-

Terming the country's pre-

and Economy "

Studies (BIISS).

the country, reports UNB.

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

Treasury Secretary Nicholas Brady and Federal Reserve Chairman Alan Greenspan fly to Moscow today to meet

reforms. Bush has been concerned that an immediate influx of

officials for talks on economic

der, indiscipline and corrup-

tion set by the past autocratic

ings, we have to be particularly

careful to ensure that we enter

with all preparation conform-

ing to the needs of the com-

BSS 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 dimen-

sion for the whole world in

general and the Third world in

develop strategies and tech-

nologies to maintain environ-

mental balance, she said the

developing countries today

need to be alcrted about this

environmental hazard

Stressing the necessity to

particular," she said.

ing century.

She said despite shortcom-

Western help would be wasted unless market reforms are carried out in the Soviet Union. Kohl has been impatient with the cautious response of the West, saying funds must be approved quickly for the struggling

Gorbachev last week asked the European Community for up to 7.3 billion dollars in emergency food aid to help the country through the coming

Bush, discussing the need for food aid, said, "we are in agreement - It should go forward very soon in order to avert hunger."

The huge country faces a 20 per cent drop in oil production this year,

#### Gorbachev, Russian President Boris Yeltsin and other senior Consumer spending falls in UK

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

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.

Th government says it ex-

pects a recovery from the year-long recession to be led by a resumptions of consumer spending. But economics has said a lack of public confidence was hindering that.

The August sales fall compared with market forecasts of a decline of just 0.2 per cent. Year-on-year retail sales fell 0.3 per cent compared to market forecasts for a 0.7 per cent rise.

A treasury spokesman said the August fall was a blip and did not reverse the better trend seen over the last few months.

was not unexpected," he said.

"However, underlying trends show the through is behind us and we seen no reason why the recovery in con-

Some Western leaders are

Major, who is mulling the best date for an election, could draw some comfort from a rise of 0.1 per cent in industrial production reported on Monday by the central statistical office for July over June. Manufacturing rose 0.8 per

The treasury said figures for unit wage costs and productivity in July were also encourag-

These showed wage cost growth slowing to 8.8 per cent for the three months to July from 10.8 per cent in the previous three months. Productivity rose by 0.7 per cent in July after a 0.9 per

Monday's figures followed positive economic indicators for the government last week, including a fall in inflation to 4.7 per cent from 5.5 per cent, that fuelled talks of an

#### "After the surprisingly strong sales gain seen in June and July some fall in August cent drop in June.

sumer confidence should not early poll. continue."

#### Soviet republics approve plan for economic links MOSCOW, Sept 17: Sovict cooperation mechanisms until

decades.

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 Reuter.

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.

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.

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. Rafigullah Senior Vice President of the Company.

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

Republican leaders on Monday considered joining together in an economic union that would respect their independence and might save the country from financial collapse and a winter of hardship.

Radical economist Grigory Yavlinsky, the main author of the restructuring proposals, told a meeting of the State Council that his plan recognised independence declarations and was aimed at tackling the grave crisis.

Its main provisions include free enterprise and private property free movement of commodities and services over the entire territory of the conceived union, the Soviet news agency Tass quoted him as

It discussed food shortages looming this winter and cooperation with the West as well as the economic treaty. Yavlinsky said the market-

oriented plan would allow former Soviet republics to create their own currencies but there would also be a common monetary unit presumably the Rouble.

But most acknowledge the

need for some kind of interim

waiting on the outcome of Soviet bankers and officials talks on the economic union have spoken in recent weeks before determining the level of about establishing a Rouble aid to offer the Soviet Union, zone as the foundation of a new or whatever new assortment of system of economic cooperastates emerges to replace the tion that would avoid a breakold union of 15 republics. down in vital trade ties.

In the meantime, aid efforts Since last month's failed are likely to concentrate on coup several republics have alleviating the expected food declared their independence and fuel shortages this winter. from Moscow and the cen-Caretaker Prime Minister tralised system which they Ivan Silayev told reporters have been locked into for grain and sugar shortages af-

states.

fected the entire country. In this respect one can only welcome an agreement be-

tween republics on coordinattheir economies are able to ing purchases of these goods stand on their on feet. Some abroad and on the priority role already have plans to create of the centre in this, Tass quoted him as saying during a their own currencies, including the Ukraine and the Baltic break at the meeting. Saparmurad Niyazov, leader

of the central Asian Turkmenian Republic saw little hope of a quick agreement on an economic union. We need two or three months to get rid of all the problems that have arisen in recent times, he told Tass.

"But I think every leader should declare today at the state council whether his republic will join the new (confederative) union of sovereign states," he said.

Yavlinsky has cautioned that Russia may act unilaterally on reforms if republics hesitate to agree an economic union.

#### 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

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 Korca in accordance with the principle of Median line established international law.

The statement was issued after the Chinese Foreign Ministry demanded in a statement on Saturday that South Korea halt drilling for off "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 Sca," as Scoul refers to the Yellow Sea, and

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

Prices had risen by 0.4 per

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

#### 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

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 Reuter.

"We have begun the layoffs," said UPI spokesman Milt

"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

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.

court approval to void certain contract provisions including severance pay requirements and other worker protections, he said. The wire service's 276

But UPI continues to seek

unionised employees have been working for 80 per cent of the pay due them under their contract.