

IMF head urges steps to ensure GATT talks success

WASHINGTON, March 7: IMF Managing Director Michel Camdessus urged industrialised countries Friday to take prompt action to ensure the success of the Uruguay Round of the GATT trade negotiations, reports APF.

Difficult decisions are called for. Camdessus, the Head of the International Monetary Fund, said in a speech delivered at the Fraser Institute in Vancouver, Canada, the text of his remarks was released here.

Without such decisions, and some important compromises, the Uruguay Round may be doomed to failure. This would strike a serious blow to the prospects for vigorous growth in the 1990s for both the industrial and developing countries, he added.

The current round of talks under the General Agreement on Tariffs and Trade (GATT) has hit an impasse due to disagreements between the United States and Europe over agricultural subsidies.

Most computers worldwide evade Michelangelo

SAN JOSE (Calif), Mar 7: Just like in a melodrama, the computer files were saved in the end. Michelangelo, a data-devouring demon of the high-tech age, was stopped before it could do much harm, and the computing community cheered, reports AP.

"We found viruses in hundreds of computers, but we eradicated it," Joe Pujals, California's computer information manager, said Friday.

The infamous creation of an anonymous programmer was set to strike March 6, the birthday of the Italian Renaissance artist. It sits dormant inside IBM-type personal computers and can destroy programs and data on the computer's hard disk once the machine is turned on.

Reuter from London adds: Thousands of computer's worldwide lost data and software on Friday when the mysterious Michelangelo virus was triggered in their hard disks.

Businesses and industries from Amsterdam to Australia were hit by the computerised plague and one US expert said as many as 10,000 computers could have been affected.

But no military or government data appeared to have been lost and analysts agreed the effects could have been far worse.

If anything has happened, it hasn't had any huge consequences that have come to our attention, said Joseph Snyder, a US State Department spokesman. So far, nobody has reported anything here.

The Pentagon and White House also reported no damage, while a duty officer at the secretive Central Intelligence Agency (CIA) said "I'm making no comment."

John McAfee, President of the US Computer Virus Industry Association, a research group of software and hardware makers, estimated at least 10,000 computers had been hit worldwide, basing this on reports from his company's 140 overseas agents.

The Michelangelo virus scheduled to strike on the 517th anniversary of the renaissance master's birth wipes out the contents of hard disks of infected computers as they are switched on.

Any computer compatible with the International Business Machines Corp (IBM) standards is a potential target.

A Swedish engineer said on Friday the virus had struck for the first time exactly one year ago, apparently on computers incorrectly set to its target date of March 6, 1992.

We had seven of our computers knocked out last year, said Svante Granqvist at the Royal Institution of Technology in Stockholm.

The virus was discovered at the same time in other places where it existed, this year we have avoided it as we worked hard with anti-virus programmes.

Dataguest, a California market research firm, said in a recent survey at 600 computer sites with a total of 600,000 machines, roughly 15 per cent of respondents, reported the virus.

In the United States and many other countries computer "vaccines" applied in advance prevented serious damage.

But throughout Friday reports came in of large-scale loss of data and software from unprotected computers.

More than 1,000 computers were affected

in up to 500 companies in South Africa. Most of them used by pharmacists likely to have infected each other's systems during their frequent communications.

McAfee said one of his agents had reported 48 confirmed cases in Australia including an airline in Melbourne, two mining and to exploration companies in Perth and a car rental company in Adelaide.

The Federal Office for Computer Security (BfSI) in Bonn said the worst case in Germany hit in the Ruhr industrial areas where one firm saw data on 75 computers wiped off in seconds.

But a BSI official said about 1,000 Michelangelo viruses had been nipped in the bud by vaccines before the target date.

In Britain, Edward Wilding, Editor of Virus Bulletin, a monthly magazine, said a London services company had had around 100 computers affected.

"I've never known such a serious loss of data due to a virus," he said, adding that the company was using outdated anti-virus software.

Alan Solomon, who heads one of the world's leading computer anti-virus software suppliers, said he had heard of no more than three dozen virus attacks in Britain, and he regarded the Michelangelo scare as overblown.

"It's a massive fizzle... a storm in a tea-cup," he said. "It's scare-mongering by the Americans."

A Dutch police computer fraud expert said on Friday his unit had discovered the source of the infection.

Lock Weerd told Reuters it was unwittingly spread around the world by a single Taiwanese

software copying house. Software copy houses legitimately copy software for customers, and this one probably mass-produced it when a customer gave it an infected disk, he said.

Taiwan is the source of the mass distribution of the virus," he said, adding: "The Taiwanese authorities have not so far given us the name of the software copy house."

The virus itself is a simple instruction concealed on the floppy disk which tells any computer using it to destroy data on a given date, and to give the same order to any other computer with which it links up.

"If (the inventor) was a very smart person, it would have been about 20 minutes' work," Weerd said.

But despite unconfirmed reports, neither the Dutch nor anyone else was sure who had programmed Michelangelo or why.

There were also no reports of outbreaks in India, Bangladesh, Sri Lanka or Pakistan.

But in Malaysia, Michelangelo was detected at more than 20 companies, a Malaysian anti-virus software developer said.

Looi Hoong Thooing of Looi software said he received calls early Friday complaining of data loss due to the virus.

Michelangelo's effect in the Philippines was also minor.

Philip Wu, software support manager of one of the country's biggest retailers of IBM personal computers, said so far they had encountered only one case of the virus. It had affected a personal computer in an insurance company, and "they lost some files," he said.

Unemployment in Canada up

OTTAWA, March 7: A drop in available jobs in Canada helped push the nation's unemployment rate up to 10.6 per cent last month, compared to 10.4 per cent in January, the government said Friday, reports APF.

The new unemployment rate is the highest since April, 1985, with 1.45 million people now looking for work, said Statistics Canada.

In the week ending February 15, there was a loss of 32,000 full-time jobs while part-time employment rose by 14,000, the government agency added.

In a province-by-province breakdown, Newfoundland continued to suffer the worst unemployment rate (18.9 per cent), while the lowest jobless level was in Saskatchewan (7.0 per cent).

In addition to Newfoundland, the jobless rate is 10 per cent or higher in British Columbia, Quebec, New Brunswick, Nova Scotia and Prince Edward Island.

Inter-Arab investments totalled \$408m in 1990

ABU DHABI, March 7: Inter-Arab investments were estimated at 408 million dollar in 1990, a fraction of the region's assets abroad, a United Arab Emirates (UAE) daily reported Friday, reports APF.

Al-Khaleej, quoting a report by the Arab Corporation to guarantee investments, said Egypt was the largest beneficiary of Arab investment, receiving 92 million dollar.

Saudi Arabia came second, receiving 80 million dollar, followed by Bahrain with 73.5 million dollar and the UAE with 52 million dollar.

The report gave no details on the investments but most Arab assets in the region are channelled into real estate, small-scale farming and industrial ventures.

Arab assets overseas are concentrated in the west and estimated at 670 billion dollar, invested mostly in real estate and stocks, with the oil-rich Gulf states holding more than half those funds.

There have been calls to return part of those investments to the region to aid Arab development but investors argue the market is too small and that risks are too high.

Anti-smoking Taiwanese back move to ban cigarette ads

TAIPEI, Mar 7: Anti-smoking groups in Taiwan said they backed the government's planned ban on cigarette advertising and would fight a US threat to impose trade sanctions if the ban goes through, reports APF.

"We will do all we can to fight all promotion activities for cigarettes on the island," said a spokeswoman for the John Tung Foundation, the island's leading anti-smoking lobby.

Cigarette importers have attacked the government's approval for a ban on all tobacco advertising and promotion, with US firms saying the new law might violate the US trade act and thus trigger trade retaliation.

In a strongly worded statement released Saturday, the US Cigarette Export Association in conjunction with European importers said the advertising ban was a "trade issue" and not a "health issue."



KUBINKA: An American airman getting a first-hand look at a CIS Sukhoi SU-27 fighter aircraft at an air show on Mar 6, marking the 50th anniversary of strategic aviation. The Americans flew to Russia with food aid for the people of the CIS. —APF photo

Business group backs out of Mexico

MEXICO CITY, Mar 7: The business group which last week bought a majority interest in Banco Somex for 861.8 million dollar withdrew their offer and forfeited a 17 million dollar deposit, reports AP.

It was the first time in Mexico's year-long privatization process that a buyer has backed out.

The announcement late Thursday said the group withdrew because some member of the group "has expressed doubts about the reasonableness of the bid presented, considering the current conditions of the market."

The investment group, headed by Eduardo Creel Cobian, Vicente Ariztegui Andreu and Eduardo Alejandro Castillo, had offered nearly 250 million dollar more for Banco Somex than the second-highest bidder.

Dollar, gold fall in NY

NEW YORK, Mar 7: The US dollar declined against most major currencies in choppy trading Friday as foreign exchange markets reacted ambivalently to new US economic statistics, AP says.

Gold prices moved modestly lower.

On the Commodity Exchange in New York, gold bullion for current delivery closed at 349.50 dollar a troy ounce, 1.90 dollar than Thursday's settlement price.

Republic National Bank quoted a bid of 349.25 dollar for a troy ounce of gold as of 4 p.m. EDT, down 2.20 dollar from Thursday's late bid.

An eagerly awaited report on February employment failed to inspire any prolonged buying or selling of the dollar.

Figures released Friday morning showing the nation's business payrolls expanded by an unexpectedly large 164,000 jobs torched off a temporary round of dollar buying abroad and at home. But the buying proved short-lived.

Other data in the Labor Department report offset the positive economic implications of February's growth in non-farm payrolls, which was the strongest since May 1990.

Four nations to consider moratorium on ivory trade

TOKYO, Mar 7: Five Southern African nations on Thursday offered the first concession in a heated battle over the ivory trade which has dominated a world wildlife conference in the ancient Japanese capital of Kyoto, reports Reuter.

Botswana, Malawi, Zimbabwe and Namibia said they would consider a voluntary moratorium on the ivory trade which is currently banned worldwide.

South Africa said it would continue to forbid any import or export of ivory or ivory products for the time being.

The five have not, however, withdrawn their requests that the African elephant be reclassified under the Convention on International Trade in Endangered Species (CITES) to allow a limited trade in ivory.

The trade was banned at the previous CITES meeting in 1989 after the African elephant population fell by 50 per cent from 1.2 million in 1981.

This is the first tangible sign that we have received of movement on the elephant issue by the Southern African countries said Simon Stuart, head of the delegation from the International Union for the Conservation of Nature (IUCN).

Beijing to issue \$ 5.56b bonds to generate private savings this yr

BEIJING, Mar 7: China will issue a record 30 billion yuan (5.56 billion dollar) worth of treasury bonds this year to tap the enormous amount of private savings in the country, a press report said Friday, reports APF.

Zhang Jialun, Deputy Director of the State Debt Management Department, was quoted in China Daily as saying the issuing would start next month and the amount to be raised in 1992 compared with the 20 billion yuan (3.66 billion dollar) issued last year.

The savings will be used to pay maturing debts and fund the government deficit, the official told the English-language newspaper. The Chinese government has to repay 30 billion yuan maturing in August.

This is the last year of the states' three-year debt service peak, the newspaper said. Next year only 10 billion yuan of treasury bonds would mature.

The state is hoping to mobilise individual savings which last year soared to a record 167 billion dollar.

To help promote the attractiveness of treasury bond, China has developed an underwriting system whereby financial institutions purchase the bonds and then sell them to individuals. These institutions are expected to snap up about 80 per cent of the bonds on offer.

Until now some state employees have been more or less obliged to buy bond issues.

The treasury bonds are expected to carry an interest rate one percentage point higher than bank savings deposited for a similar term.

Since China started reissuing treasury bonds in 1981, about 130 billion yuan (24 billion dollar) has been raised this way.

The central government's deficit hit about 20 billion yuan (3.53 billion dollar) last year, according to official estimates. Beijing needs the money to launch development projects and accelerate political and economic reforms.

with the more undecided C2 bracket.

Lamont is no stranger to political budgets. Polls showing the Conservatives and Labour virtually neck-and-neck for most of the past year have influenced much economic decision-making.

The 1991 budget used a 4.25 billion sterling windfall from a rise in value added tax to give a one-off 140 sterling per person cut in the widely-unpopular poll tax local government charge.

There is speculation that this year Lamont may make another modest move on poll tax, if only to delay the sending of bills until after the general election, expected on April 9.

Lamont's budget aims to woo the most volatile voters — blue collar workers

LONDON, March 7: Chancellor of the Exchequer Norman Lamont's pre-election British budget will be a deeply political package designed to appeal to blue-collar manual workers, the key voters who swept Margaret Thatcher to power in three elections, reports Reuter.

They make up 50 per cent of the electorate and are by far the most volatile voters.

"These are the people who used to vote Labour during the 60s and 70s, blue collar workers who deserted Labour because they liked Maggie Thatcher's policies," said economist Peter Spencer, who has closely studied the demographic and regional pattern of British voting, referring to the main opposition party.

Thatcher tapped the mood of British workers in the early 1980s, tired of strikes and high taxation they apparently relished her vision of a property-owning democracy.

Lamont's budget must rebuild support among that same group of people, badly hit by recession, before the election, expected next month.

"The fact is that it is the same people that put Margaret Thatcher in who could put John Major out," said Spencer, of Broker Shearson Lehman Brothers.

A study by Barclays de Zoete Wedd shows 72 seats where the Conservatives lead Labour by 16 per cent or less and where the C2 bracket is 25 per cent of more of the electorate.

Tax cuts may be the most effective and direct way of winning over undecided C2 voters.

A widely expected cut in the basic rate of tax from 25 per cent to 24 per cent would be of greatest benefit to C2s, whose wages are generally below about 25,000 sterling.

It would be less of a help to the traditionally conservative-voting professional/managerial A3 group who, opinion polls indicate, would rather Lamont put money into Britain's crumbling infrastructure than cut taxes.

The A3s however, are less likely to be floating voters and Lamont may therefore feel it is worth overriding their misgivings in order to score points

strangers transferring large amounts of money.

At the same time, Germany is struggling with a growing drug problem. The country is a main European destination for Turkish heroin and cocaine from South America. Last year, heroin and cocaine overdose deaths rose from 1,400 to more than 2,000, say federal authorities.

The absence of a money-laundering law reportedly irritates the United States, because traffickers have sold cocaine in the United States and concealed their profits in Germany.

In 1989, a German court ruled against US drug agents' request for seizure of 20 million dollar kept in a Hamburg bank by Colombian cocaine kingpin Pablo Escobar. The judge said there was no legal basis to confiscate the money.

Der Spiegel magazine reported that the United States has threatened to "humiliate" Germany if it doesn't crack down on drug

money-laundering.

The magazine implied that the United States would release information that would embarrass Germany.

In the meantime, the use of Germany as a money-laundering haven is growing, Der Spiegel reported.

In the early 1980s, between 4 billion and 6 billion mark 2.4 billion dollar and 3.6 billion dollar in drug money were laundered in Germany, according to Spiegel. Today it is many times more than that," the magazine said.

Spiegel told of a case in the mid-1980s when a woman from Madrid exchanged more than 4 million mark 2.4 million dollar in Spanish peseta at a Frankfurt bank over two years "and not a single (bank) employee asked about the money's origins," Spiegel said. The money came from heroin sales, the magazine said.

German cops helpless as drug dealers reign supreme

HAMBURG, Germany, Mar 7: Michael Weiss knows that a foreign narcotics ring is selling hard drugs on German streets and sending its profits home through Hamburg area banks, reports AP.

But the chief of Hamburg's organized crime police unit can't seize the money or take the couriers to court because Germany, unlike most other wealthy European nations and the United States, has no law against money-laundering.

"Every month between six million and eight million mark 3.6 million dollar and 4.8 million dollar" flow back to the drug dons from Germany, says Weiss, who refuses to name the ring or its nationality for fear of jeopardizing his investigation.

"Our country has become an El Dorado (gold mine) for money-laundering, says Juergen Meyer, a lawmaker with the opposition Social Democrats.

Addressing growing concerns both at home and abroad, Chancellor Helmut Kohl's government has written a draft anti-laundering law, which it hopes to pass before the summer. But some law authorities say the law as it stands won't be effective.

Money-laundering essentially legalizes profits from crime. To launder money, criminals tuck cash into a foreign bank, eventually recycling it back into their hands.

In the United States, to name one country, investigators can confiscate money if there is reason to believe it came from a crime, and then seek to have the assets permanently impounded. All bank transactions over 10,000 dollar must be reported to US authorities.

But German law authorities can't seize money as evidence, unless there is absolute proof it was illegally obtained. And German banks are not required to report suspicious transactions or to ask for the identification of

strangers transferring large amounts of money.

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Wall Streeters see sign of recovery

NEW YORK, Mar 7: If Wall Streeters are getting more confident these days about the chances for a sustained economic recovery, one reason is money, reports AP.

More specially, the source of their enthusiasm is faster growth in the money supply, as tracked in various statistical measures by the Federal Reserve.

For instance, M2 — a measure of cash, checking — account balances and some savings accounts as well — has grown at an annual rate of 5.2 per cent so far this year, even though it dropped off a bit in the latest reporting week.

M3, a separate total that includes M2 plus some extras like large bank certificates of deposit, has expanded at a 2.3 percent annual pace.

Last fall, there was little movement at all in these gauges, which in theory provide an indication of how much fuel is flowing through the economy to run the machinery of lending, production, consumption and jobs.

"Money, money, money, money. If you wish to say a few words about evidence of a recovery, those are them," says Robert Brusca, chief economist at Nikko Securities International in New York.

But as Brusca and many other observers point out, there are questions and problems that militate against drawing any sweeping conclusions from the monetary data, especially over such a short span of time.

For one thing, a spurt in money growth occurred at about this time last year which didn't, as it turned out, herald any drastic improvement in the state of business conditions.

Russian industrial output falls 15 pc

MOSCOW, Mar 7: Russian industrial output was 15 per cent below year-ago levels at the end of February after a similar drop in January from January 1991, according to an internal parliament document obtained by Reuters.

The document, presented to deputies on Wednesday, gave no comparison between January and February production levels.

It said the largest output fall was for ferrous metals, where February output was 25 to 28 per cent below year ago levels, due to a continued fall in the output of cooking coal.

Cooking coal output fell 800,000 tonnes or 12 per cent in February from February 1991.

But coal supplies to industry improved in February because Russia exported less cooking coal to other commonwealth states.

The document said output of light industry, a sector heavily dependent on imported raw materials — fell an average of 20 per cent. Textile firms, were receiving just one tenth of the imported raw materials, they needed.

In volume terms, trade levels fell by 59 per cent and overall consumption was expected to halve in the first three months of the year, due mainly to lower spending on consumer goods.

Iraq raises salaries of overseas workers by 30 pc

BAGHDAD, March 7: The Iraqi government has decided to raise by 30 per cent the salaries of foreign workers in the country's public sector, the Daily Al-Thawra, organ of the ruling Baath Party, reported Friday, reports APF.

The paper, which did not specify when the raises would take effect, said the decision had already been conveyed to the ministries and various government bodies across the country.

In September, salaries of Iraqi government employees were increased by 15-16 per cent, following a decree by the decision-making Revolutionary Command Council.

The new increases come in the wake of major hikes in the prices of basic products due to an international embargo against Iraq slapped by the United Nations days after Baghdad's August 1990 invasion of Kuwait.

Thousands of expatriates, notably Egyptians, Sudanese and Jordanians, were given government jobs in Iraq to replace Iraqis serving in the military, particularly during the eight-year Iran-Iraq war which ended in 1988.

Business briefs

US fines 5 firms for flouting ban: The United States has fined six companies 550,000 dollar for violating US sanctions against Libya, the Treasury Department said on Friday, reports Reuter from Washington.

"This is a warning to companies throughout the world that they may not do business with Libya from or through the United States," the department said.

Riyadh to help Taiwan build refinery: Saudi Arabia has offered to help Taiwan set up an oil refinery, the state-owned Chinese Petroleum Corporation said, reports Reuter from Taipei.

Local media Saturday quoted corporation Chairman Kuan Yung-Shih as saying the offer was made by an assistant to the Saudi Oil Minister during Kuan's visit to the kingdom last week.

Algerians protest price hike: Angry Algerians crowded round market stalls on Friday, denouncing high food prices on the first day of Ramadan, reports Reuter from Algiers.