

Business

Retaliation may follow if 'corrections not made'

# US identifies 43 nations as doing unfair trade against it

WASHINGTON Mar 31: The US government on Monday accused 43 nations of erecting unfair trade barriers against American products, with Japan leading the list, reports AP.

The release of the 267-page report was the first step in a process that could lead to retaliation against named countries if negotiations failed to correct the alleged infractions.

As in past years, the country with the most trade barriers cited was Japan, which its restrictions filing 19 pages in the report, ranging from Japan's ban on rice imports to barriers that keep out American cars and car parts.

For the first time, the report cited several newly emerging democracies in Eastern Europe, including Poland and Hungary, as erecting barriers to American products.

In addition to the 43 nations named, the report listed two trading blocs, the 12-nation European Community and the Gulf Cooperation Council, which includes six Arab nations including Saudi Arabia, Kuwait and the United Arab Emirates.

The European Community was targeted in 17 pages of complaints about its trading practices. The United States and the Europeans are locked in a bitter dispute over the reduction of farm subsidies. That battle is the major roadblock to completing a five-year effort to overhaul the world trading system.

The administration charged that the EC's farm subsidies were costing American farmers four billion dollar to five billion dollar in lost sales annually.

The complaint against the Arab countries of the GCC is that they have not passed laws protecting US copyrights, patents and trademarks.

The administration is facing charges levelled by opponents in the presidential campaign that it has not waged an aggressive fight against unfair foreign trade practices.

Cited in the report were Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Czechoslovakia, Ecuador, Egypt, El Salvador, the European Community, Germany, Finland, France, Greece, Guatemala, the Gulf Cooperation Council, Hungary, India, Indonesia, Israel, Italy, Japan, Korea, Malaysia, Mexico, New Zealand, Nigeria, Norway, Pakistan, Paraguay, Philippines, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, Taiwan, Thailand,

Turkey, United Kingdom, Venezuela and Yugoslavia.

The administration has until April 29 to select from Monday's report a target list of priority nations for intensive negotiations aimed at correcting alleged violations of US copyright and patent protections.

There is generally a nine-month deadline for completing the talks, with the possibility that failure to resolve the disputes could result in the administration retaliating by raising tariffs on imports of products from the targeted country.

In practice, however, both countries usually find a way to resolve the trade dispute before the tariffs are imposed.

Reuter adds: Meanwhile, the United States on Monday announced two new programmes for former Soviet scientists to prevent them working for countries unfriendly to the West.

It also announced the start of talks in Moscow that aim to conclude early trade agreements with members of the new commonwealth of independent states.

The initiatives are part of US efforts to assist former Soviet republics as they make the transition from authoritarian communism to democratic capitalism.

They are also aimed at helping the elite of the former Soviet nuclear industry make the switch from producing nuclear bombs to using their scientific skills for peaceful pursuits.

State Department spokeswoman Margaret Tutwiler said the first of 150 scientists would arrive in the United States shortly for three-to-five-month internships with American scientific and research companies.

The United States, which has budgeted one million dollar for the programme, will pay

the air fare and a small stipend for each scientist and ask that the American companies cover any other costs, including insurance and lodging.

Another programme, estimated at 1.5 million dollar, will place at least 150 scientists as visiting scholars at American colleges and universities for one to two years, starting in September.

The United States and Germany, worried that ex-Soviet scientists may be wooed to work for renegade countries now that the communist empire has disintegrated, have begun establishing an international science centre in the CIS.

## Indians, Israelis sign trade deal

NEW DELHI, Mar 31: An Indian industrial group signed an agreement with the Israeli Export Institute (IEI) here Monday to promote two-way trade and share business information, reports APF.

The memorandum of understanding was inked by Gurpreet Singh of the Confederation of Indian Industry and IEI President David Litvak, who flew in Sunday at the head of the first major Israeli trade team to visit India.

It is the first such agreement ever signed between India and Israel, which established diplomatic relations in January, ending four decades of hostility between the two countries.

Under the agreement the two sides exchange, among other things, professional expertise and information about products, industrial processes and economic and commercial matters.

Both parties are also to hold seminars and conference in both countries, an Indian spokesman said.

The signing followed a trade workshop at which Indian Foreign Secretary Jyotindra Nath Dixit called for better business relations between the two countries.

"India and Israel are embarking on new and significant chapter in their trade and economic cooperation," Dixit said, adding that both had "a very high" degree of scientific and technological achievements to their credit.

"This is going to be an area of significant importance in future global competitiveness," he said, and suggested that India and Israel work together to promote exports and joint ventures in third countries.

Litvak, who is heading an eight-member delegation of Israeli industrialists, held talks Monday with Indian businessmen and executives of both private and state-run companies.

The Israelis was to leave today for Bombay, where they will spend three days before ending their visit.

Private trade between India and Israel, which continued at a low level despite the absence of diplomatic relations, is currently estimated at some 100 million dollar.

Major products traded include sports goods, gems and jewellery.

## Dry spell damages tea in India.

SILIGURI, Mar 31: Harvesting of tea has been severely hit during the season due to the continuous dry spell and dry wind prevailing here, the Secretary of the North Bengal Branch of Tea Association of India, D N Gupta, said here, reports PTI.

Gupta said that the prospect of the crop this season was bleak with pests and blights destroying the gardens.

Only 50 per cent rainfall, which could have saved the situation to some extent, was recorded as compared to the corresponding period last year, he added.

## Strike may halt Bullet Train service in Japan

TOKYO, Mar 31: Unions at three of Japan's main public railway companies threatened Monday to stage a two-day strike, cancelling Bullet Train service for the first time in 13 years, union and company officials said, reports AFP.

The threat followed a lighting strike by workers at nine private railway companies in Tokyo and Osaka Friday, disrupting subway services in the capital for the first time in 11 years and leaving millions of commuters stranded.

About 120 workers on Bullet Trains and other services run by the Nagoya-based central Japan Railway Co walked out at noon Monday, seeking wage hikes of up to 8.5 per cent. But services were not affected, official said.

The three companies said that about 2.2 million passengers would be affected if the unions went ahead with the strike on Tuesday and Wednesday, forcing the cancellation of 18 Bullet Trains on the main line between Tokyo and Fukuoka.

## GATT snag hits trade

BRUSSELS, Mar 31: The Uruguay Round of world trade talks must be completed quickly because lack of confidence is already affecting trade, the world's major chemical industry lobby said on Monday, reports Reuter.

"Lack of confidence in international trade procedures is already adversely affecting trade. There has been no more critical time for underpinning the stability and growth in world trade," the International Council of Chemical Associations (ICCA) said in a statement released in Brussels.

"The chemical industry now calls on the negotiators to resolve the outstanding problems and to conclude the round quickly," ICCA, which represents 70 per cent of the world chemical industry, said.

"The chemical industry is global and... it depends on open markets and agreed international rules.



A GRIM FACE OF MOSCOW: A young homeless mother begging Monday on a street of Moscow to feed her baby. Homelessness is rising in Moscow and around the former Soviet Union as the cost of living increases. —AFP photo

## Tokyo adopts emergency steps to revive slumping economy

TOKYO, Mar 31: The Japanese government on Tuesday adopted emergency measures to revive the slumping economy, including an increase of more than four trillion yen (30 billion dollar) in spending over the next six months, reports AFP.

The seven-point fiscal package, the first in five years, will allow Japan to realise its goal of 3.5 per cent economic growth in the new fiscal year beginning Wednesday, an Economic Planning Agency official said.

The plan, approved by cabinet ministers, is expected to be accompanied Wednesday by a lowering of the Bank of Japan's official discount rate by either half or three quarters of a percentage point, monetary officials said.

Masaru Yoshitomi, head of the coordination bureau at the economic planning agency, said the economic was now likely to recover from the current slowdown in the June quarter by which time companies should have cleared their inventories.

He also stressed the need to reverse the deterioration in business confidence.

The political talks to prevent such sentiment from deteriorating too much in the near future and form affect in the national economy as a whole" he said.

The pillar of the package is the implementation of more

than 75 per cent of this year's public works projects by the central government in the first half of the fiscal year. The figure amounts to some 1.5 trillion yen (11.3 billion dollar), an increase of 15.7 per cent from the same period last year.

Spending by local governments is expected to be twice as high although the exact figure is difficult to quantify, Yoshitomi said.

The package also requires power and gas utilities as well as telecommunications giants Nippon Telegraph and Telephone Corp, and Kokusai Denhin Denwa Co Ltd, to increase their capital spending in the coming six months.

Electrical power firms were told to advance one trillion yen (7.5 billion dollar) of their annual capital spending plans in the first half while the figure for NTT and KDD is 90 billion yen (680 million dollar).

**Provisional budget okayed**

Another report adds: Japan's House of Representatives, the lower house of parliament, approved Monday the government's stop-gap budget of 5.52 trillion yen (42 billion dollar).

Political sources said the budget, to cover the first 11 days of the new fiscal year starting Wednesday, is expected to pass through the House of Councillors, the upper house, on Tuesday.

## Soaring govt, current account gaps hit Pakistan's economy hard

ISLAMABAD, Mar 31: Pakistan's economy, undergoing deregulation and a difficult adjustment to market forces, is being squeezed by increasing government and current account deficits, revenue officials said Sunday, reports AFP.

The officials said the government deficit in the fiscal year ending June 30 might reach four billion dollar, compelling the government to double tax revenue to nearly 12 billion dollar since last year, they said.

The budget deficit reached two billion dollar during the first eight months of the current 1991-92 fiscal year alone, the officials said.

To overcome the deficit, the government has already resorted to bank borrowing

and the issuing of currency notes worth about two billion dollar, pushing the inflation rate beyond 15 per cent.

Economic analysts said the main reason for the budgetary deficit was the government's failure to curb its non-productive administrative expenditures, particularly in the defence sector, which consumes about 2.64 billion dollar.

Another major expenditure is servicing of the country's 18-billion-dollar foreign debt, with the officials saying the government had allocated 3.24 billion dollar in the current budget for debt servicing, inclusive of domestic debt.

The country's development expenditure is roughly equivalent to the defence budget but is mostly financed by foreign loans and grants.

Pakistan's economic difficulties, however, mounted with the suspension of annual US-aid of 630 million dollar in October 1990, over allegations that Pakistan was attempting to build a nuclear weapons.

Prime Minister Nawaz Sharif's government has made an effort to boost exports, but the balance of payments deficit on current account in the last fiscal year was about 2.5 billion dollar out of which the trade gap alone was 1.8 billion dollar.

The discouraging result came despite a 20 per cent increase in exports, which reached a record six billion dollar.

In the current fiscal year the government set an export target of eight billion dollar but

## ECO bank planned

NICOSIA, Mar 31: Iran, Turkey and Pakistan have agreed to set up a joint bank with a capital of 320 million dollar, Iran's central bank Governor Mohammad Hossain Adeli said, reports Reuter.

Adeli, back in Tehran from a meeting with his Turkish and Pakistani counterparts in Karachi, said the Bank of Commerce and Development would finance trade between the three countries and invest in joint or separate projects, Tehran Radio said.

Adeli said Iran would hold a third of the capital. Shareholders will be private and public banks and financial institutions from the three countries.

The bank is to be set up within the framework of the Economic Cooperation Organisation (ECO), an economic club which groups the three countries with five Muslim former Soviet republics, admitted last month.

The share of the five new members — Azerbaijan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan — will be determined after the bank's charter receives final approval, Adeli said without giving a date.

## The forgotten jobless

WASHINGTON, Mar 31: Over half a million US citizens who lost their jobs early in the recession were forgotten by the government agency that counts the unemployed, reports Reuter.

The vast undercount missed four out of 10 workers who lost their jobs and made the recession appear less severe than it actually was.

The Bureau of Labour Statistics — the number-crunching branch of the US Labour Department that counts the jobless — is now revising the figures, pushing them higher.

Bureau economists say they missed about 650,000 unemployed workers between March 1990 and March 1991, boosting the total to 1.62 million. The Bureau initially reported that 970,000 workers became unemployed during the period.

As of last month about 9.2 million Americans were out of work the unemployment rate stood at 7.3 per cent.

Officials and private economists said the undercount missed many small companies that went bankrupt and the job losses when some workers were called to serve in the Gulf war.

The undercounting, which was larger than usual, has a big impact on the economic downturn that began in July 1990. More accurate figures might have prompted policymakers to act more quickly to get the economy moving again, some economists said.

The Federal Reserve, which gradually lowered interest rates in 1991 and has been criticised for not doing more, might have moved more quickly had it known the true state of unemployment. Lower rates give the economy a lift by spurring businesses and consumers to borrow and spend.

## Switzerland outplaces United States as most creditworthy nation

NEW YORK, Mar 31: Switzerland is the most creditworthy country in the world, according to a survey of international bankers, followed by Japan, Germany and the Netherlands, reports AP.

France is fifth, and the United States — for many years the bankers' No 1 favorite — is down to sixth place from fourth in September last year.

The survey was published in the March issue of Institutional Investor magazine of New York.

Every six months the magazine asks about 100 bankers to rank more than 100 nations for creditworthiness on a scale of 1 to 100. Switzerland scored 92.5.

At the bottom of the list in the March survey were North Korea, Sudan and Uganda, with dismal ratings of 5.7, 5.6 and 5.5 respectively.

Highly rated nations find it easier to borrow from banks and tend to pay lower interest rates.

In the past year there have been some dramatic changes. Asked to rate the disintegrating Soviet Union one last time, bankers gave it 29.7 points, a huge 14.6-point drop from last March, and a whopping 34.6 points below where it stood 2 1/2 years ago.

Of the successor states, bankers gave Russia the highest ranking in a separate poll, with a score of 24.6, followed

## Demand for longer-lasting rechargeable batteries surges

SUMOTO (Japan), Mar 31: Without them, you couldn't get a dial tone on your cellular phone, or shoot a scene with your camcorder.

They may not have much hi-tech dazzle, but rechargeable batteries are providing the mobility for many of today's most popular electronics products, writes AP.

As a result, use of rechargeables is surging — along with demand for new types that last longer and recharge faster.

"The competition is becoming fierce. Everybody is demanding products with longer life and less weight," says Yutaka Kimoto, manager of Sanyo Electric's Sumoto battery plant.

Sanyo and Matsushita, which together account for about 87 per cent of Japan's production, have spent about 10 years developing new kinds of batteries using nickel-hydride or lithium that will give laptops, shavers or Walkmen two or three times as much life between recharges.

A typical laptop computer, for example, could calculate for up to six hours instead of the current two.

For years, nickel-cadmium rechargeables, known as ni-cads, were virtually the only kind available for portable electronic products. But they use cadmium, a toxic heavy metal that causes pollution, and have limited electrical storage capacity.

"Ni-cads have reached their limits, and many companies are now looking for new kinds of batteries," says Teruaki Aoki, a Sony Corp director.

"Batteries are the chief energy source for most of our products, so we're pouring resources into battery research. It's very important for Sony's future."

Toshiba Corp also has picked rechargeable batteries as a top research priority.

"Although most people aren't much aware of rechargeables, there are many scientists at the cutting edge of technology working hard on them," says Sei-ichi Takayanagi, Toshiba's vice president of corporate technology.

Since products such as cellular telephones, portable CD players and laptop computers consume relatively large amounts of electricity, it would be expensive to use standard dry cell batteries, which can't be recharged.

But rechargeables are difficult to develop and make, Sanyo's Kimoto says, because they combine both high technology and manufacturing art.

Minute variations in manufacturing and handling can affect the chemical reactions that charge the batteries and release the electricity.

"They're like a fine wine," he says. "You can't hurry them, or boost production very rapidly. They have to be aged so they stabilize. They're alive, so they're difficult to make."

Ni-cads must age for one month after manufacture for the chemicals to stabilize. The new lithium types must sit for two months.

Rechargeables using lithium ions or nickel-hydride are just beginning to appear in new products, including an electric razor recently released by Sanyo and a cellular phone planned by Sony for later this year.

Nickel-hydride batteries can store about twice as much electricity as nickel-cadmium, but cost twice as much. One advantage is they can be manufactured on the same equipment as ni-cads.

Lithium-ion batteries weigh less than ni-cads and have about three times as much electrical capacity.

In the future, researchers say, products may be powered by batteries made of an even more powerful version of lithium, lithium metal, or maybe polymers.

"Everyone knows that the ultimate rechargeable battery is lithium metal, but it's still too unstable," Sony's Aoki says. Current versions can catch fire when overcharged and become unstable if moisture leaks inside.

The goal, Toshiba's Takayanagi says, is to keep rechargeable batteries anonymous.

"We want to keep it that way. It means they're performing their job without any problems," he said.

## Business briefs

**IMF examining Russian reform plans:** The International Monetary Fund's executives board council is examining Russia's economic reform plan, sources said Monday, reports AFP from Washington.

Since Russia is not yet a member of the IMF, the council does not have to accept or reject its economic reforms but simply render an opinion on its programme which is primarily aimed at deficit reduction and liberalising markets and prices.

**Japan imports oyster from Vietnam:** Japan had imported 230 tons of Vietnamese frozen oyster meat by the end of last year to become the biggest buyer of the product, says a local press report, according to Xinhua from Hanoi.

Vietnam began shipping frozen oyster meat in late 1990 after a Japanese company placed an order for 250-gram packages of the product. Bigger orders came when the products were well received in Japanese supermarkets.

**Oil prices unmoved:** Oil prices were unmoved on Monday as traders watched for any move on sanctions against Libya by the United Nations, reports Reuter from London.

The UN is considering banning air links and arms deals with Libya, unless the North African oil producer hands over by April 15 two men accused of bombing a Pan Am jetliner over Lockerbie, Scotland in 1988, when a total of 270 people died. A UN Security Council vote is expected either late on Monday or sometime next week.