

BRIEFS

Europeans, US far from GATT accord

PARIS, Oct 16: European Commission President Jacques Delors said Wednesday evening that Europeans and Washington were still far from an agreement winding up the six-year Uruguay Round of multilateral trade talks.

US won't make more concession to GATT

BRUSSELS, Oct 16: President Bush told the 12 European Community states Thursday the United States can make no more concessions in trans-Atlantic disputes that block an overall agreement in world trade talks.

Investment falls in Indonesia

JAKARTA, Oct 16: The government's two-year-old tight money policy and the country's limited infrastructure has drastically reduced foreign and domestic investment in Indonesia in the first 10 months of 1992, it was reported here Thursday.

Japan may buy US AWACS aircraft

TOKYO, Oct 16: Despite complaints about price, Japan intends to buy US-made airborne warning and control system aircraft, known as AWACS, in fiscal 1993, the Director of the Defence Agency reportedly said Thursday.

Russian economy to continue to fall

MOSCOW, Oct 16: The Russian government issued a new set of grim economic forecasts Wednesday, but said the country was not in danger of total collapse.

Consumer prices rise in US

WASHINGTON, Oct 16: Americans paid a modest 0.2 per cent more for products in July despite sharply higher prices for fruits and vegetables, the government said Thursday.

One-third WB projects in shambles

WASHINGTON, Oct 16: A World Bank study has found that one-third of the projects the organisation has financed have not lived up to expectations, but a senior official cautioned against reading too much into the figure, reports Reuter.

"This report is written for an internal audience," said Attila Karaosmanoglu, Managing Director for the World Bank. "It is a no-holds-barred type of effort that tries to put the situation as stark as possible."

The bank hands out billions of dollars in loans each year to finance a variety of projects in developing nations.

It has more than 100 billion in loans outstanding.

The findings of the study, which came at the initiative of

World Bank President Lewis Preston, have shocked some western officials but Karaosmanoglu said they must be put in the right context.

The standards, that the banks sets for its loans are not easy. If a project does not earn the equivalent of a 10 per cent return on the bank's money, it is judged unsatisfactory.

But it doesn't stop there. Some projects have as many as 10 objectives — from enhancing the role of women in the developing country concerned to improving the nations' financial practices.

If one or two of those objectives are not achieved, for whatever reason, then the project is deemed unsatisfactory.

"We are not only looking at brick and mortar,"

Karaosmanoglu said.

The report's findings are also in line with conclusions drawn in a separate study of the activities carried out by the US agency for international development.

But that doesn't mean the bank isn't taking the report seriously. It is already discussing how to improve loan implementation in response to the study's findings.

The success of that work is partly on our shoulders, but it is also on the shoulders of the developing countries and other donors, Karaosmanoglu said.

If developing countries clearly assume responsibility for the projects and assign them a high priority, that would help ensure their success, he said.

At the request of Japan, the World Bank is carrying out another study of the economic success enjoyed by Tokyo and Asia's newly industrialising nations to see if that can be translated into promoting development elsewhere in the world.

Japanese officials have complained that the bank has relied too heavily on the market-driven development philosophy promulgated by the United States and not paid enough attention to the role governments can play in nurturing key industries.

The report is not due to be finished next year, but Karaosmanoglu said that neither extreme of the argument contains the right answer to successful economic develop-

ment. The balance is not an easy one to strike, he said. He said that those countries that have been successful in targeting certain industries for help have been able to drop the ones that have not worked out. But not every country has found it easy to stop supporting an industry once it starts.

Karaosmanoglu, though welcomed Japan's desire to make an intellectual as well as financial contribution to economic development of the world's poorer nations.

"We are bound to be an institution always searching for a better structure, a better way of addressing the issues, even if we do not always appear so to the outside world," he said.

Independent counsel in Iraqi loan case demanded

WASHINGTON, Oct 16: The chairmen of the House and Senate Judiciary committees on Thursday joined a mounting chorus of Democrats calling for an independent prosecutor to investigate possible criminal wrongdoing by the CIA, the FBI and the Justice Department in the case of illegal bank loans to Iraq, reports AP.

Sen Joseph Biden of Delaware said he expects to round up by Monday a majority of fellow Democrats on the Senate committee — four plus himself — to submit a formal request for the investigation to Attorney General William P Barr.

Such a formal request, unlike previous calls for an independent counsel in the case,

would require the attorney general to announce a decision in writing — but not until well after next month's presidential election.

Barr in August rejected a call from Democrats on the House Judiciary Committee, saying there was "not a shred of evidence that any department employee acted improperly."

But the chairman of that panel, Rep Jack Brooks of Texas, along with a majority of the committee's other Democrats on Thursday renewed their formal request to Barr in light of new information that has emerged since his initial decision.

Too little done for Bosnian refugees: Mazowiecki

ZAGREB (Croatia), Oct 16: A special UN human rights monitor charged Thursday that the international community was too slow and ineffective in helping Bosnian refugees, reports AP.

Former Polish Premier Tadeusz Mazowiecki has been given a mandate by the UN Commission for Human Rights to report on human rights violations.

He spoke to reporters in the Croatian capital after his team visited refugee camps and prisons in Croatia and Bosnia.

The group of experts will travel Friday to the Yugoslav and Serbian capital, Belgrade, and areas of Serbia with large minority populations: Sandjak in southern Serbia, which has many Muslims; Kosovo which has a majority of ethnic Albanians;



European Community leaders in Birmingham to attend summit to calm fears among some of their citizens which have nearly derailed a new treaty of union. — Star TV photo

Denmark joins UK refusal to abandon currency

BIRMINGHAM (England), Oct 16: Denmark on Thursday cast its lot with Britain, Europe's other troublesome twin, in refusing to abandon its currency — thus putting another complication on the agenda of a European summit called to revive a union treaty, reports AP.

In addition, an ultimatum by President Bush that the European Community will get no more US concessions in world trade negotiations threatened to overshadow Friday's summit — and isolate France, the main holdout.

In Paris, President Francois Mitterrand's spokesman denied France was isolated from its partners in the 12-nation community over getting a global deal on free trade, the General Agreement on Tariffs and Trade (GATT).

"France is only ahead of them. It is more concerned than the others," spokesman Jean Mustelli explained.

However, France is the most insistent in the community on retaining what America regards as unfair subsidies to farmers and was likely to come under new pressure from Britain, in particular.

The US-European Community dispute is holding up a deal among all 108 nations involved in talks. Officials are making a special push to strike a deal before the Nov 3 US presidential election.

Economic reforms must continue: Romanian PM

BUCHAREST, Oct 16: Outgoing Premier Theodor Stolojan said Thursday that economic reforms must continue despite the victory of conservatives and ex-Communists in recent elections, reports AP.

"It would be a political crime to slow down the course of reform," Stolojan told reporters. "To delay reform would only delay the pain."

He spoke as the Constitutional Court confirmed the re-election in last weekend's runoff of President Ion Iliescu, the former Communist who led Romania since the 1989 revolution.

Iliescu won re-election to a four-year term by outpolling his challenger, Emil Constantinescu of the anti-Communist Democratic Convention, by 61-to-39 per cent.

Iliescu's left-wing Democratic National Salvation Front won 166 seats in the 484-member legislature in Sept 27 balloting. Together with its natural allies — ex-Communists and extreme nationalists — it could control a small parliament majority.

But many Romanians are fearful that such a coalition would further alienate the West, which has withheld financial assistance because of doubts about Iliescu's commitment to democracy.

Iliescu last week proposed a "national unity government" of his party and the Convention, which won 116 seats.

Lebanese govt resigns amid economic crisis

BEIRUT, Oct 16: Lebanon's Syrian-backed government resigned on Thursday amid a deepening economic crisis, clearing the way for a new cabinet to take over as a newly-elected parliament starts its work, reports Reuter.

Prime Minister Rashid al-Solh announced the resignation of his five-month-old cabinet hours before the outgoing parliament was automatically dissolved at midnight (2200 GMT).

The new 128-member parliament, elected in Lebanon's first general elections in 20 years, will meet for the first time on Tuesday.

Officials said parliament would meet to elect a Speaker on Tuesday to head talks with President Elias Hrawi and a new premier on the composition of the next cabinet.

Shiite Muslim warlord Nabih Berri, a Syrian ally, is the only candidate for the

Speaker's post.

Diplomats say the new government is unlikely to launch the sweeping reforms needed for economic revival unless it includes technocrats and has strong support from Syria, the main foreign power broker in Lebanon.

It will also face the choice whether to try to impose its authority in the face of widespread Christian opposition, or to work to heal a yawning Christian-Muslim rift that was aggravated by the parliament elections.

Most influential Christian organisations boycotted the poll because of the continued presence of Syrian troops in Beirut saying they were designed to return a pro-Syrian parliament.

But Solh, who was Prime Minister when the civil war began in 1975, is also a widely-tipped candidate for another term.

EC plans to extend tariff benefits to former Soviet republics

BRUSSELS, Oct 16: The European Community is planning to extend its system of trade tariff preferences to the 12 republics of the former Soviet Union, the EC's Executive European Commission said here Thursday, reports AP.

The commission said it wanted EC tariff preferences given to developing countries in 1992 rolled over into 1993 with hardly any changes except that the benefits would be extended to the ex-Soviet republics.

A commission spokesman said the 12 republics needed help to overcome economic and political crisis, and needed the greatest possible access to EC markets.

But he added that the

commission was proposing to extend preferential tariffs to them for a limited period of three years. The proposals must still be approved by an EC council of ministers.

The EC has devised a new system of tariff reductions lasting to the turn of the century, but these will not apply until signature of a world trade accord in the Uruguay Round of the General Agreement on Tariffs and Trade.

The temporary system of preferences applies a zero tariff rate to all industrial products except where there are separate, more restrictive accords, such as the Multifibre Arrangement (MFA) or those governing steel imports.

The commission said the preferences involved tariff re-

ductions worth more than one billion ECU (1.33 billion dollar) on imports from developing countries worth about 27 billion ECU (36 billion dollar).

Reuter adds: The US has done all it can to reach a GATT world trade agreement, President George Bush said in a letter sent to EC leaders.

"We have stretched as far as possible to meet the EC's concerns, Bush said in the letter, a copy of which was obtained by Reuters here.

The negotiators have done all they can. Now we need the political will, said Bush in the letter sent on the eve of a special EC summit in Birmingham, England, when GATT will be on the agenda.

Bush said in the letter he believed a substantial agreement on the Uruguay Round

and oilseeds was within reach.

"If we seize this opportunity we will be on the path to renewing the world trading system, restoring market confidence and fuelling economic recovery, he said.

"If we do not, we face the specter of an escalating trade conflict, he warned."

Talks in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), which began in 1986, remain deadlocked by a dispute between the US and EC over farm subsidies.

Bush said the US had made suggestions during talks between talks trade negotiators in Brussels this week to settle a row over oilseed subsidies.

Oilseeds are seen as a major obstacle to a farm trade deal.

Sharp drop in US Sept business sale

WASHINGTON, Oct 16: The US government reported on Thursday that business sales dropped sharply in September, paycheques were slimmer and the jobs market stalled — yet another blow to President George Bush's re-election bid, reports Reuter.

The only good news was a labour department report showing that consumer prices remained in check, rising a scant 0.2 per cent to bring retail inflation so far this year to its lowest rate since 1986.

In recent weeks, Bush, trailing in the polls, has heralded the low inflation and interest rate figures as good news, saying they increase the spending power of Americans.

But the labour department also reported that the average worker's earnings in September, after adjusting for inflation, actually fell by 1.6 per cent over the past year.

With economic growth at its weakest since the depression and over one million high-

paying factory jobs lost since July 1990, Americans are working fewer hours, reducing the average value of their paycheques, the department said.

In addition, the commerce department reported that business sales in August fell 1.2

838.49 dollar in August, up 0.4 per cent from the prior month and their highest level since February 1991, the department said.

Although new claims for first-time state jobless benefits fell by 16,000 to 383,000. In



per cent, their steepest decline in eight months.

Weak demand caused business inventories to pile up for the third straight month. The value of unsold goods reached

the week ended October 3, wall street analysts said the report was hardly encouraging.

There were step increases in two key states. California, hit later by the

recession and with a huge workforce, reported 3,108 new claims. And the key indicator of Michigan said auto-industry layoffs caused new claims to rise by 2,383.

Labour secretary Lynn Martin called the report "a strong sign the labour market is continuing to improve steadily."

But the financial markets were not impressed, with the stock market falling and long-term bonds rallying slightly.

They were disappointed that US inflation and foreign exchange pressures have not prompted a coordinated interest rate cut by the federal reserve and European banks.

So far this year, US retail inflation has risen at a 2.9 per cent rate. If maintained that would be lowest rate since 1986 when it rose by 1.1 per cent. Usually this would remove a key obstacle to an inflation-averse fed to cut rates again to spur growth.

Asia's best recipients, Australians now hold top jobs

SYDNEY, Oct 16: For more than 20 years Australia has been the recipient of Asia's best and brightest, as thousands of people from the Philippines, Hong Kong, Malaysia and even Singapore trooped down under, according to IPS.

These days, Australian professionals seem to be headed in the opposite direction to fill top-paying jobs in East Asia's booming economies.

After 18 months of unsuccessful applications for over 200 jobs, David Wilson, an Australian civil engineering graduate, took to replying to job advertisements in Singaporean newspapers and wrote to companies listed in the telephone book.

He is now one of 18 Australian graduates who have landed jobs in Asia in the past three months, mostly in Singapore.

The economic slump, Australia's worst in almost a century, is driving a growing number of Australian professionals to look for jobs in Asia.

The Bureau of Immigration Research (BIR) says almost 10,000 Australians left the country in 1991, nearly double the 1986 figure. Most were jobless professionals from recession-hit fields like architecture, engineering, computer sciences and finance.

"There has been a significant increase in the skill levels of Australians leaving and the greatest motivation seems to

be employment opportunities," says David Ward, BIR chief statistician.

A spokesperson for the Australian Institute of Engineers (AIE) in Canberra says about nine per cent of the 100,000 engineers in Australia are unemployed, including more than one-third of last year's engineering graduates.

The AIE Programme Coordinator, Rohan Classen, believes many of those leaving for Asia will return home once the Australian economy improves.

Meanwhile, foreign professionals continue to flood into the country, but an immigration official said most had their immigration applications approved before the recession

hit Australia.

Most come from Asia, official figures show 1,345 engineers arrived from India, Sri Lanka, Malaysia, Hong Kong and the Philippines in the last fiscal year. A small but increasing number of skilled immigrants, however, are arriving from Eastern Europe.

But even those who had hoped for better fortunes in Australia are turning back. Deepak Varma, a civil engineer from India with 20 years' experience and two university degrees, plans to return home next year. He came to Australia two years ago, leaving behind a senior position in New Delhi.

After being rejected in more than 300 job applications, Varma decided to accept

a clear call job. He now earns just a little more than the dole. With two teenage children, he admits his family is struggling to make ends meet.

Varma is only one of thousands of Asian professionals who have decided to go back home since the recession hit Australia.

Immigration department figures show 1,424 permanent residents and 4,822 long-term residents returned home last year to Asian countries where Australian embassies have traditionally been bombarded with applications for migration to Australia.

The AIE says jobs are hard to come by for migrant engineers since employers usually give priority to Australians.

Four Asian dragons made no technical progress since 1960

MANILA, Oct 16: Asia's economic dragons Taiwan, South Korea, Hong and Singapore have made no technical progress since 1960 despite their sharp economic growth, according to a Stanford University economist, reports AP.

Laurence Lau of Stanford's Department of Economics said in a paper delivered at an on-going conference at the Asian Development Bank (ADB) that almost 80 per cent of the growth experienced by these countries was due to their investments in research and development and that technical progress contributed virtually nothing.

"The four grew mostly because of capital, not because of technical progress," Lau said during the conference Tuesday, adding that in terms of technical efficiency, "they are actually falling behind."

In contrast, technical

progress accounted for 60 per cent of the economic growth in France, 57 per cent in West Germany, 43 per cent in Japan and 39 per cent in the United States in the same period, Lau said in the report.

He said importation of advanced equipment by the four dragons did not count as technical progress since they still had to pay for the imports.

Lau suggested that the sharp technical progress experienced by the industrialised countries was due to their investments in research and development and noted that the four dragons had only recently begun investing heavily in such fields.

His report was challenged by other economists at the ADB conference who said the method used to measure technical progress may be flawed.

Dr Robyn Iredale, a research fellow at the University of Wollongong recently completed a study of unemployment prospects of migrant professionals in Australia particularly in the fields of engineering, computer science and pure sciences.

She found that employers are usually apprehensive about hiring non-Anglo-Celtic applicants. "Employers often don't give (migrants) a chance," says Iredale.

"When they ring up and the employer finds the voice has a (foreign) accent, they don't even bother to interview them," she adds. "If you're not from an English-speaking country ... they think your training is no good."

The usual reason given to rejected applicants is lack of experience but Iredale says the real explanation must be the fear of communication problems.

Her study found that employers have very stereotypical views on foreigners. "People from the Middle East find it hardest to get a job followed by Sikhs in turbans," she says. "Many employers think Indians and Sri Lankans are too bureaucratic ... but those from Malaysia and Hong Kong tend to come out better."

These days, it is the Malaysian embassy that is being swamped by inquires from Australians on job prospects in that South-East Asian country.