Unemployment in Australia reach 1m

SYDNEY, Nov 12. The ranks of Australia's unemployed have risen to a record high of almost one million, the Bureau of Statistics said Thursday putting pressure on an embattled labour government to cut interest rates. But economists said an early rate cut was unlikely because of the risk of a run on the al ready-shaky Australian dollar, which has fallen about 12 per cent in the past year, reports Reuter.

Incomes of China's urban workers up

BEIJING, Nov 12: The real incomes of China's urban workers were about four per cent in January-September compared to the same period of 1991, an official newspaper said Thursday. The China Daily, quoting a State Statistical Bureau report, said the average urban wage earner took home 1,789 yuan (321 dollar) during the first nine months of the year. That's an increase of 12.3 per cent over 1991 when inflation is discounted, but only about 4 per cent in real terms, the newspaper said, reports AP.

\$ 150,000 Indonesian aid for Pakistan

JAKARTA, Nov 12: Indonesia sent 150,000 dollar in aid Wednesday for flood victims in Pakistan, the Foreign Ministry said. It saidfloods in September killed more than 2,000 Pakistanis and left more than 1,000 others missing, reports AP.

India confident of its coffee export

NEW DELHI, Nov 12: India is confident it would achieve its target of exporting 120,000 tonnes of coffee in the current financial year despite the virtual loss of the erstwhile Soviet market, according to the Coffee Board. P P Prabhu, the Board's chairman, told a conference in the southern city of Bangalore Tuesday that the ex-Soviet republics such as Russia would absorb no more than 15 per cent of India's overall coffee exports in fiscal 1992-93, reports AFP.

US, Italian, Chinese jt-venture for oil

BEIJING, Nov 12: The US oil companies Chevron and Texaco and Italy's Agip have agreed to join China's state oil company in developing two oil fields near the Pearl River, official news reports said Thursday. The Xinhua news agency said the fields will go into production by the end of 1995 and are expected to produce at most 1.5 million tons of oil annually, reports AP.

Dollar up, stocks fall in Tokyo

TOKYO, Nov 12: Share prices on the Tokyo Stock Exchange fell in Thursday morning trading, as the US dollar edged higher against the Japanese yen. At the end of the morning session, the 225-issue Nikkei Stock Average fell 96.18 points, or 0.59 per cent, to stand at 16,221.94 points. On Wednesday, the average lost 118.96 points, or 0.72 per cent, closing at 16,318.15, reports AP.

Daewoo ties up with Honda

SEOUL, Nov 12: After breaking with General Motors of the United States, South Korea's Daewoo Motor Co on Wednesday tied up with Japan's Honda Motor Co as part of an ambitious longterm expansion plan. Daewoo Motor and Honda signed a technology licensing agreement, under which Daewoo will produce Honda design luxury sedans from September next year, Daewoo announced, reports AFP.

Russia silent on arms sale to China

MOSCOW, Nov 12: Russian officials declined to comment on a report by Interfax news agency that Moscow was poised to sell arms worth 500 million US dollar to China to pay off part of its debt with Beijing. Interfax, quoting sources from the Ministry of Foreign Economic Relations, said Russian arms sales to China might reach two billion US dollar by 1994. A senior ministry official declined to confirm or the report, reports deny Reuter.

BRIEFS EC ready to resume talks with US

BRUSSELS, Nov 12: An internal rift healed, European Community negotiators said Wednesday they will meet their U.S counterparts within a week to try to avert a tit-fortat trade war and boost world

trade talks, reports AP. Less than a week after Washington threatened trade sanctions, the EC agreed to resume negotiations with the Bush administration to try to pave the way for an accord farm subsidies.

Officials said hopes for a quick breakthrough were good. The United States said it wants to pursue negotiations and that just what we want to," said EC chief negotiator Frans

Andriessen after a meeting with other trade officials in the 12-nation trade bloc.

There is very good reason to believe that a deal can be made," EC Commission spokesman Nico Wegter said.

Those chances looked better after the EC trade negotiators refrained from officially discussing Wednesday a hit list of counter sanctions against U.S products if Washington imposes its own sanctions on EC goods on Dec. 6. It showed a willingness to avoid any escalation, officials said.

"What the world economic situation requires at the moment is calm discussion and not saber-rattling," said British Prime Minister John Major,

Arab oil reserves

unchanged in '91

oil reserves were almost un-

changed in 1991 because

there had been no major dis-

coveries, the organisation of

Arab Petroleum Exporting

Countries (OAPEC) on Wedn-

reserves stood at 622.6 billion

barrels at end 1991, compared

with 621.8 billion barrels at

end 1990. They account for

nearly two thirds of the

world's proven crude re-

serves of 1,021 billion barrels.

tion groups the world's biggest

crude exporter Saudi Arabia

with Algeria, Bahrain, Egypt,

Iraq, Kuwait, Libya, Qatar, Syria

Saudi Arabia alone holds

about 260 billion barrels while

nearly 300 billion barrels are

based in other Gulf Arab States.

Tomorrow the EC will be just

40 days away from its January

I deadline for creating a single

market where goods, people,

services and capital move

responsible for much of the

programme agreed some key

outstanding measures Wedn-

two contentious proposals -

one for an EC trademark and

another that would allow firms

to set up as "European com-

panies". But they have not de-

WASHINGTON, Nov 12: Bill

Clinton promised during the

presidential campaign to focus

like a laser beam on economic

growth and jobs. Now the

president-elect is going to

have to make hundreds of

decisions before he can turn

promises into an economic

recovery programme, reports

Clinton may consider spending

billions on the nation's roads

and bridges; or building a na-

tionwide information-retrieval

network; giving tax breaks to

businesses and the middle

class; providing job-training

programme for defence work-

To stimulate the economy,

esday — on medicines, cultural

They also moved closer on

The EC ministers who are

freely, reports Reuter.

goods and insurance.

and the United Arab Emirates

The Cairo-based organisa-

OPAC, said its 10 members

esday, reports AFP.

ABU DHABI, Nov 12: Arab

who currently holds the EC

presidency. Those chances were improved after EC Commissioner Ray MacSharry decided to take charge again of the farm negotiations after meeting with EC Commission President Jacques

Ireland's MacSharry resumed his bargaining duties after quoting last week in the wake of accusations that Delors had tied his hands to protect local French interests. Delors. a French socialist, has seemed conciliatory in recent days. saying he was optimistic of an

Germany also appeared to pressure France into a more accommodating position, raising the specter of protectionism and loss of trade if no deal can be made.

"If we withdraw into Fortress Europe and the Americans withdraw into the United States, that would be an idiotic form of politics," said Chancellor Helmut Kohl followed a meeting with Major.

Transatlatic contact were expected to set the stage for a meeting between EC negotiators MacSharry and EC Trade Commissioner Frans Andriessen with their U.S counterparts, Agriculture Secretary Edward Madigan and Trade Representative Carla Hills. The meeting would be this

weekend at the earliest, but

most likely early next week, officials said. EC agriculture ministers, traditionally the toughest in refusing concession on subsidies to their nine million farmers, meeting Brussels Monday and Tuesday.

A breakthrough in the talks is needed to restart the Uruguay Round negotiations, an ambitious effort by 108 nations to redo the world trading system and lower barriers to trade. The talks are sponsored by the General Agreement on Tartiffs and Trade, or GATT.

Dunkel meets EC officials

Another report adds: Arthur Dunkel, who overseas world trade talks, met for an hour Thursday with European Community officials to try to defuse a transatlantic trade war over European, farm subsidies. He issued no statement

When he arrived at the European Community head office, the Director-General of the General Agreement on Tariffs and Trade said he would urge a quick end to an EC-US dispute over farm subsidies. The dispute is blocking a GATT accord among 108 nations to liberalise world

Dunkel met with Ray MacSharry and Frans Andriessen, the EC's agriculture and external relations

Unemployment has hit record high in Australia since the 1930s. Australian economy is

currently passing through a phase of recession and about one million Australians are re-

ported to be jobless. Picture shows two Australian job-seekers going through vacancy no-

agreed in principle, will set

up a system for protecting na-

tional treasures, from Picassos

to Greek vases, once the EC

removes its internal border

commission has been pushing

hard for an accord for fear

that otherwise national gov-

ernments would be reluctant

to tear down their customs

send a damaging a signal to

citizens who were expecting a

border-free Europe on January

1. However, it is not clear that

the new system - which will

bigger stimulus programme

during his first two years and

counteract the consequent

swollen deficit by clamping

down tighter in the following

two years when they expect

the economy to be more ro-

deficit hawks argue that

course would be suicidal be-

cause it would trigger panic in

financial market. That would

send interest rates soaring,

thereby undercutting the posi-

tive effects of higher govern-

own leanings may be revealed

in his choices for top eco-

The first clues to Clinton's

ment spending.

On the other hand, the

That, it has said, would

The executive European

European Community just 40 days

away from single market

Clinton will face hard time before

deciding what to do with economy

controls.

cided which of the nine official

EC languages the new trade-

mats have given up hope that

the European company statute

can be agreed before the end

of the year, partly because na-

tional governments remain far

apart on the issue of worker

participation in management

deadline, the agreement on

cultural goods was the most

important to come out of

Wednesday's meeting of the in-

The measures, which were

There are many other op-

Some of the answers may

tions. How will Clinton decide?

come clear to Clinton after he

hears from top business ex-

ecutives and others at an eco-

nomic summit he has called

for next month in Little Rock,

plicated by a split among his

advisers. Some advocate cau-

tion to avoid inflating the bud-

get deficit; others argue that

the economy is so weak that

only sizable spending will turn

urging Clinton to seek a much

The growth advocates are

things around.

Clinton's choices are com-

ternal council.

In terms of the January 1

And EC officials and diplo-

mark office should use.

commissioners, to relay European GATT partners' concerns about a looming transatlantic trade war over farm subsidies, officials said. On Monday, Dunkel is to meet with officials in Washington.

Dunkel avoided reporters by leaving the EC building through a back door.

On Wednesday, officials said EC negotiators would meet with their U.S counterparts within a week. The announcement signaled that the 12-nation bloc had at least temperately bridged differences over dealing U.S demands for further cuts in subsidies paid to EC farmers.

Britain, German and others have urged compromise, while France has pressed for retalia-

The Bush administration has given the EC until Dec. 5 to resolve the dispute or face import taxes on 300 million dollar worth of European products, mostly French white wines. Washington and other nations argue the subsidies keep European farm prices unfairly low in world markets.

Community leaders say they will respond with punitive duties on a similar amount of U.S. goods-which could trigger a tariff war that would cut sales of goods from both sides and affect thousands of jobs.

Farm lobbies are strong in

-Star TV photo

combine export certificates

for treasures leaving the EC

and procedures for returning

goods that have been taken il-

legally from one EC state to

another - will be ready by

The agreement on med-

The proposal to create a

icines demonstrates how the

concept of an EC single

new system for authorities

drugs, backed up by a me-

dicines evaluation agency, was

not one of the almost 300

measures in the commission's

1985 blueprint for the pro-

nomic jobs. If, for instance, he

picks former Federal Reserve

Chairman Paul Volcker as trea-

sury secretary, that would be

seen as evidence he views

deficit containment as

During the primaries,

Clinton talked about 120 bil-

lion dollar in tax breaks for the

middle class over four years,

but he later cut that figure

after Ross Perot attacked him.

middle class tax payers to

choose between a cut in their

tax rates or a higher tax credit

He talked about allowing

market continued to expand.

most EC nations, particularly in France. But there are fears, especially in Germany and Britain, that a full-blown transatlantic trade war will hurt an already ailing world

But there was no sign the EC had wavered in its resistance to going beyond the subsidy cuts adopted last spring.

Dunkel has blamed the disagreement on Europe's refusal to accept GATT rulings to cut subsidies to oil seed farmers. Oil seeds — which include sovbeans, sunflower seeds and cotton seeds - are the basis of much animal feed.

Although oil seed subsidies prompted the U.S threat of sanctions, they are only one element in a fight over EC sub-

sidies in general. Washington wants the EC to cut its oil seeds output to nine million tons. The EC wants to go down to 9.5 million tons under a general overhaul of its agricultural subsidies programme.

France, the EC's biggest agricultural producer, says cuts could drive many of its small farmers out of business and change the social and cultural fabric of its nation. About six per cent of France's workers are employed on farms, a far higher percentage than in most industrial nation.

IDB to set up \$ 100m fund to help poor member states

NICOSIA, Nov 12: The Islamic Development Bank (IDB) will set up a 100 million dollar fund to assist least developed member states, the Iranian news agency Irna said, reports Reuter.

The announcement was made at the end of a two-day annual meeting by the bank's board of governors in Tehran.

The IDB is the development arm of the 47-member Organisation of the Islamic Conference (OIC). It offers members and Muslim minorities in other countries longterm soft loans to finance development projects and encourage inter-Islamic trade.

Irna said Albania would join the IDB after its membership application is approved by the OIC's foreign ministers meeting in Jeddah on Dec 1.

IDB said Tuesday it had approved financing for projects worth 1.33 billion dollar in the 1991-92 fiscal year, a 48 per cent rise over the previous

The bank's 18th annual meeting will convene in Gambia in October 1993.

Japan's trade surplus rises for 22nd month running

TOKYO, Nov 12: Japan's trade surplus shot up 51 per cent in October from the same month last year, and the surplus for 1992's first 10 months surpassed the record for an entire year, the Finance Ministry said Thursday, reports AP.

It was the 22nd straight month in which the surplus had increased from year-earlier levels.

The January-October surplus came to 88.31 billion dollar. The record surplus for an entire year is 82.74 dollar set Economists attributed the

trend, a growing irritation to Japan's trading partners, to weakening domestic demand due to an economic slowdown and the stronger value of the yen, which increases the dollar value of exports.

Exports that passed through customs in October exceeded imports by 10.89 billion dollar, up 51 per cent from 7.20 billion dollar in October 1991. Those figures were not adjusted for seasonal



NEW DELHI: World Bank President Lewis Preston (L) meets Indian Finance Minister Manmohan Singh Nov 11 prior to a meeting on India's financing needs until 1995. Preston is here on a six-day visit during which he is to review the pace of India's economic reform programme and to discuss future aid. - AFP/UNB photo.

Preston lends support to Delhi's bid to secure \$7b

NEW DELHI, Nov 12: World Bank chief Lewis Preston assured Wednesday his organisation's support for India's bid to secure about seven billion dollar from international lending agencies over the next three years, reports AFP.

Preston's assurance came in talks he had here with Finance Minister Manmohan Singh on India's "exceptional financing needs" until 1995 to continue its fledgling economic reforms programme, Singh told reporters.

The minister said the money would be quickly disbursed. Detailed negotiations will start soon, he said, adding that Preston had assured him the World Bank would be " very supportive".

The World Bank President. who arrived here Tuesday on a six-day visit, said his agency

was convinced that the reforms were on the right track but was looking forward to "future modifications."

The Finance Minister said Preston made no mention of World Bank concern at the pace of Indian reforms, which he said were "on target", but discussed the issue of 20 billion dollar in unutilised loans for development projects.

India has been unable to use the grants for lack of matching funds to finance projects in such areas as power and irri-

Press reports have said the World Bank was also insistent that New Delhi step up the speed in such areas as public sector disinvestment and announce policy governing the closure of unprofitable indus-. tries and sacking of labour.

'Market economy will not bring equal benefit for all Chinese'

BEIJING, Nov 12 : China's People's Daily newspaper Wednesday issued another call advocating the benefits of a market economy, but combined it with a warning that shares in the country's rapidly expanding economic cake would not be the same for everyone, reports AFP.

In an opinion piece titled "market and wealth" bylined Zhao Guangrui, the Communist Party paper praised private entrepreneurs who 'work relentlessly day and night."

"It is normal that these people enrich themselves, the newspaper said, echoing the phrase Deng Xiaoping used at the beginning of the 1980s to launch his policy of economic reform and opening China to the world.

But it also noted, "those who have already become rich certainly entered the market, but not all of those who entered the market have become The article's note of caution

contrasted strongly with the daily praises China's leaders on the miraculous virtues of the "socialist market economy" adopted as policy at the Communist Party's 14th congress held last month.

China's official press especially the People's Daily, rarely states that even with strong economic growth a liberalised economy can also lead to the loss of such things as job secu-

The article called on the Chinese people to liberate their thought and to accept the market which "is not yet sufficiently understood after the long years of economic planning." "Even if it is difficult to lib-

erate oneself in daily life, it is necessary to change one's mental outlook," it said.

Oman starts jt-venture gas liquefaction projects

DUBAI, Nov 12: The Omant government said on Wednesday it has started implementing a nine billion US dollar gas liquefaction joint venture project with western and Japanese companies, reports Reuter.

"The share of the govern-

ment will be 51 per cent and the foreign companies 49 per cent ... the overall cost of the project is nine billion US dollar and the first export operations of five million tonnes a year will start in the middle of 1999," Oil Minister said Bin Ahmed al-Shanfari told the Omani news agency.

Gulf oil sources said the joint venture company would be formally established within the next two months.

Shanfari said Oman's proven gas reserves had risen from nine trillion cubic feet (255 billion cubic metres) to 17 trillion cubic feet (480 billion cubic metres) in the last two

A consortium led by Royal Dutch and Shell Group had conducted a feasibility study on downstream aspects of the Liquefied Natural Gas (LNG)

The consortium is owned 51 per cent by Oman, 34 per cent by Royal Dutch and Shell Group, six per cent by France's Total SA, two per cent by Partex Corp of Portugal, three per cent each by Mitsubishi Corp and Mitsui and Co Ltd and one per cent by Itochu

The project is divided between an upstream venture to produce and develop the natural gas and a downstream part to liquefy, ship and market it.

The upstream venture, which has already been set up,

is operated by Petroleum Development Oman. It is owned 60 per cent by

the Oman government, 34 per cent by Royal Dutch-Shell Group, four per cent by total and two per cent by Partex. The three Japanese firms have no share in the upstream ven-

Oman said in February construction work on the project will begin in 1994 and will include the installation of production facilities, a gas pipeline linking the fields to a central processing unit, a gas liquefaction plant and export facilities including a terminal and liquid gas carriers.

Lack of infrastructure, skill block Laos' road to progress

for children.

paramount.

VIENTIANE, Nov 12: Laos, one of the world's poorest countries, has made significant progress in restructuring its economy but lack of infrastructure and skills have prevented it from accelerating the pace of reforms, officials say, reports Reuter.

The shift from a centrally-planned system to a market economy has yielded positive results, but the South East Asian republic has to overcome basic problems in order fully to exploit free market principles, they said.

"There are constraints to reforms," Lao Deputy Prime Minister Khamphoi Koeboualapha told foreign journalists on a recent visit to the landlocked communist state wedged between China, Vietnam, Cambodia, Thailand and Myanmar.

"We have no experience in macro-economic management. The qualifications of our people are limited. That is the first obstacle," said Khamphoui, who is also Minister of Finance. Western analysts agree the lack of technical

expertise is a major constraint to further

development. Many of Laos' educated people fled

when it came under communist rule in 1975.

"The problem is you have a perennial institutional under-development plus a lack of skilled personnel in public administration and in the private sector," said an analyst.

The government introduced market-style reforms in 1986 in a bid to reverse the slide of its economy, one of the least developed in the world.

Annual per capita income is 170 dollar, the lowest in Asia, according to the Asian Development Bank's 1992 development outlook. It said 82 per cent of its population is in rural areas and the country has an infant mortality rate of 108 per 1,000 births.

The reforms include lifting restrictions on private sector commercial activities, removal of subsidies and price controls and decentralisation of decisionmaking affecting production.

Sisivath Sisane, First Vice Minister of the Ministry of Economy Planning and Finance said the government wanted to create a good climate for investment but it lacked the manpower, money and institutional infrastructure to do so.

A western diplomat, however, said it was not the lack of funding that hobbled the economy but is low absorptive capacity.

"Laos is over-aided. Donors give a lot of assistance but they can't use the money," the diplomat said. "They have no expertise. If you want to develop, you need a good civil service?

Laos, with a population of 4.2 million is the recipient of generous financing from international donors, analysts say. Total disbursements averaged 80 million dollar a year from 1989 to 1991, according to one aid agency official. "The economy could not have grown without this

assistance," an analyst said. Among the major sources of funds are the World Bank, the Asian Development Bank and the

International Monetary Fund. Officials said assistance from multilateral donors and some bilateral sources made up for the loss of financial aid from the former Soviet Union. From 1975, Moscow provided Laos with some 740 million worth of oil, machinery and equipment.

Yet despite the constraints, the Laotian economy

has still managed to grow over the past three years following its transition, officials say.

Gross Domestic Product (GDP) the total value of goods and services produced within an economy excluding income from abroad is forecast to grow 6.5 per cent in 1992 and up to seven per cent in 1993, compared with four per cent in 1991.

Inflation is expected to drop to seven per cent by the end of the year from 10 per cent in 1991 and 17.7 per cent in 1990.

"The government will continue with its open door policy to attract foreign investors," Khamphoui said. Officials say they need to strengthen their institutional capabilities, build roads, improve transportation, set up communications and power facilities to woo foreign capital. They want to attract overseas investments into

agribusiness, oil exploration, mining and tourism services. For now they seem to be making a pitch for concessional lending.

"If we are to accelerate development, we need the assistance and cooperation of international organisations," Khamphoui said.