

BRIEFS

US for tighter sanction on Serbia
UNITED NATIONS, Nov 14: The United States Friday named several Greek, Italian and Egyptian Shipping firms which it said violated the UN embargo against trade with Serbia and Montenegro.

Yeltsin says economy improving
MOSCOW, Nov 14: President Boris Yeltsin told leading industrialists Saturday the economy is showing signs of improvement, but warned against hard-liners who want to now "sow panic and destroy reforms," news agencies reported.

Kuwait projects \$4b budget deficit for '94
KUWAIT, Nov 14: Finance Minister Nasser al-Rowdan projects Kuwait's 1993-94 budget deficit at 1.2 billion dinars — the equivalent of 4.2 billion dollar news reports said Friday.

Russia starts gold sale in Japan
TOKYO, Nov 14: Russia recently started consignment-based gold sales to Japan, exporting one-half tonne as the first delivery in September, local business industry officials said.

Fake jt-ventures in China to evade tax
BEIJING, Nov 14: Many Chinese companies are pretending to be joint ventures in order to benefit from lower tax rates and other concessions, the official China Daily newspaper said Saturday.

Labour wage up in Russia
MOSCOW, Nov 14: The minimum monthly labour wage in Russia will be increased to 2,250 roubles in the first quarter next year for employees in state budgeted organizations and institutions, Interfax reported Friday.

Russia adopts bankruptcy bill
MOSCOW, Nov 14: The Russian parliament adopted a bill on second reading on Thursday on business bankruptcies, IFA-R-Tass news agency reported.

Japan seeks new trade forum with Clinton administration

TOKYO, Nov 14: Japan wants a new trade forum with the incoming administration of Bill Clinton, replacing the process set up by President George Bush which is not fruitful, a top trade official said Friday, reports AFP.

The discussions should be made both between the two governments and the two private sectors. If governments and business circles attend meeting together, it will be more practical to solve the problem. U.S government officials do not know business practices as we know, the official said.

Another report adds: An economic upturn in Japan is unlikely before mid-1993, while a trade surplus of 130 billion dollar is forecast by the end of the current fiscal, an official said Friday. Okamoto said until the middle of next year the Japanese economy will not show an uptrend, mainly due to sluggish consumer spending.

Bradley said those accords, now almost complete, should also be approved. They have been delayed by the quarrel between the United States and the 12 governments of the European Community over subsidies for the production of European soy beans, which reduce the amount that Americans can sell in Europe.

France, with a powerful farm lobby, has been blamed on both sides of the Atlantic for standing in the way of such an agreement. The Americans in this matter aren't worried about ethics or morals. They're doing 'business', Soisson said.

French Agri Minister attacks US stand in trade talks

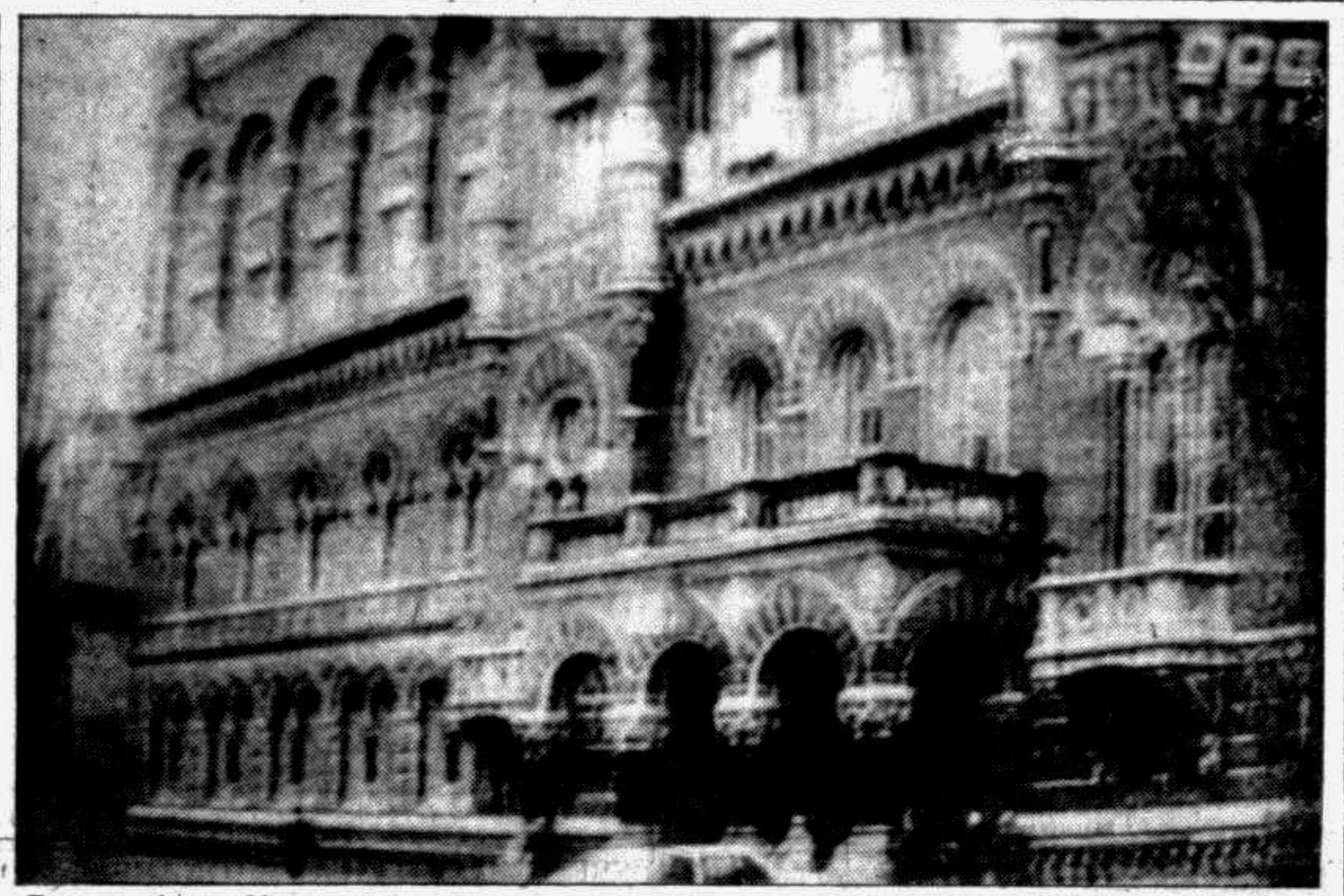
PARIS, Nov 14: France's Agriculture Minister on Friday attacked US pressure on Europe to cut farm subsidies, saying Washington is acting purely in the interest of the American farmers, reports AP.

will become an American colony, but if it is united, it will be an equal partner of the US, said Soisson, who was in Toulouse for a meeting on rural development.

Indian bond scam Broker admits buying shares for a former minister

NEW DELHI, Nov 14: An Indian stock broker allegedly involved in a multi-million-dollar securities scam said Friday he had bought shares for a former Indian minister who quit in connection with the scandal, reports AFP.

The broker, Pallav Seth, told a parliamentary panel that he had bought shares in two steel companies—Tata Iron and Steel Co and Jindal—for Paltanippan Chidambaram when he was commerce minister in Prime Minister P.V. Narasimha Rao's government.



Picture shows Ukraine central bank building in Kiev. Ukraine announced Nov 13 that Russian rouble would no longer be a legal tender in its territory. The move is seen as Ukraine's attempt to break free from Russian economic control.

NAFTA will hurt ASEAN, says Lee

MANILA, Nov 14: The North American Free Trade Agreement (NAFTA) will hurt South East Asian countries by diverting investment away from the region and into Mexico, former Singaporean Prime Minister Lee Kuan Yew has said, reports AFP.

Lee, now a senior minister in the Singapore government, told the Manila Chronicle newspaper in an interview published Saturday that the NAFTA pact between the United States, Canada and Mexico will mean a diversion of investments away from Asia to Mexico.

India's reforms on right track, certifies Preston

NEW DELHI, Nov 14: World Bank chief Lewis Preston said his talks with Indian leaders had convinced him the country's radical reform programme was right on track, newspapers reported, says Reuter.

India began its reform programme shortly after Prime Minister P.V. Narasimha Rao took office in June, 1991 after his Congress Party emerged from general elections as the biggest in parliament.

Slow growth forces Canberra to overhaul job creation plan

CANBERRA, Nov 14: Slower than expected economic growth, record unemployment and an election on the horizon forced the Australian Government Friday to overhaul its job creation programme, reports AFP.

The government has forecast unemployment to be at 10 per cent by next August. Dawkins said he had acted because the Australian economy was not growing fast enough.

This is a legitimate way, a sensible way, to provide some stimulus to our economy," Dawkins said, adding that "although we're not growing fast enough, we are still likely to be the fastest growing developed economy next year."

The government brought forward 55 million dollar in local capital works and 30 million dollar in road improvements originally planned for the 1993-94 fiscal year.

Bouquets wrapped in dollar

TOKYO, Nov 14: To the list of things that can be done with dollar bills, add this: wrapping a bouquet of flowers, reports AP.

A Tokyo florist, looking for an idea to perk up Christmas sales, bought 900 sheets of 32 real dollar bills from the US Federal Reserve bank and is using the sheets to wrap bouquets.

The typical customer, said Naohiro Imai of Flower Friend, is a young man giving a Christmas present to a girlfriend going abroad for the holidays.

UNCTAD advises caution against rapid liberalisation of import

GENEVA: Developing countries should undertake import liberalisation only when substantial export success has been guaranteed, and it should be gradual and accompanied by active industrial and agricultural policies, while the developing countries should maintain some degree of control on capital flows, according to the UN Conference on Trade and Development (UNCTAD).

The statistical findings are less conclusive on the association between trade policy and export growth: Hong Kong and Singapore, prototypes of free trade regimes, have achieved strong growth; but so have other countries with strong state intervention and maintenance of import protection, sometimes for long periods.

The association between growth of GDP and exports on the one hand, and protectionist measures on the other, is unclear, UNCTAD concludes, adding, "The data suggest that export performance in the 1980s was not associated in any simple way with either low tariffs or non-tariff barriers or any combination of them."

The high costs of adjustment and rapid liberalisation that might lead to an irreversible loss of capital, labour skills and technological capabilities, argue in favour of gradualism in trade policy.

UK's recovery package draws mixed reaction

LONDON, Nov 14: British Chancellor of the Exchequer Norman Lamont's economic recovery package, unveiled on Thursday, won support from his own party Friday but economists questioned whether it would speed the end of the recession, reports AFP.

pay rises for the five million employees in the public sector. Even on the treasury figures there is not going to be much of a pickup in output in the economy for at least six months," said Steven Bell, chief economist with Mercant Bank Morgan Grenfell.

Lamont also gave a boost to business by increasing investment allowances and helped exporters by upping the funding for the government's export credit guarantee schemes.

Another report adds: British unemployment rose by 24,200 in October to a new total of 2,868,000, or 10.1 per cent of the working population, the Department of Employment said Friday.

UNCTAD also suggests that trade reforms should precede liberalisation of internal capital flows and should not be simultaneous. In some countries, such liberalisation might result in capital flight, thereby endangering the fragile BOP situation which accompanies the liberalisation process.

By Chakravarthi Raghavan, Third World Network Features

Chakravarthi Raghavan is Chief Editor of SUNS (South-North Development Monitor), a daily bulletin, and the Geneva representative of the Third World Network.