

BRIEFS

EC asked to limit steel import

BRUSSELS, Nov 20: The European Community steel industry lobby group Eurofer said on Thursday that measures to limit steel imports, especially from Eastern Europe, must be agreed by the end of this year. Eurofer said in a statement that the European Commission agreed with it that a big new restructuring plan for the EC steel sector should not be endangered by an increase in imports, says Reuter.

Trade blocks pose threat to Asia

MANILA, Nov 20: The rise of economic blocks in the world could spell danger for Asian economies that have based their spectacular growth on foreign investment and exports, Philippine Foreign Secretary Roberto Romulo said on Thursday. The European Community's creation of a single market from January and free trade pact between the United States, Canada and Mexico could divert trade and investment from Southeast Asian nations, he told a business conference, reports Reuter.

Dollar, gold mixed in Europe

LONDON, Nov 20: The US dollar was mixed against other major currencies Friday in early European trading. Gold prices were also mixed. In Tokyo, the dollar closed at 123.50 yen, down 0.38 yen from Thursday's close. Later in London, the dollar was quoted at 123.55 yen. In London the British pound was quoted at 1.5315 dollar, down from 1.5345 dollar late Thursday, reports AP.

O & Y forced to alter debt plan

TORONTO, Nov 20: Olympia and York has been forced to alter its debt restructuring plan because the original proposal angered major creditors of the world's biggest property developer. The Toronto-based O and Y was to go before an Ontario bankruptcy court on Monday for permission to alter the rescue plan, according to a story Thursday in the Toronto Globe and Mail. Creditors had been incensed at the possibility that if O and Y's forecasts of a real-estate recovery proved too optimistic, they would end up with less than they had forced the company into bankruptcy, reports AP.

Norway to apply for EC membership

OSLO, Nov 20: Norway's parliament, in one of its most controversial decisions since World War Two, voted to apply to join the European Community but anti-EC parties predicted that Norwegians would refuse to accept the decision. The parliament, which has applied and failed to join the EC three times before, passed the motion by 104 votes to 55 at midnight on Thursday after an all day debate. Labour Prime Minister Gro Harlem Brundtland now plans to go to Britain, current holder of the rotating EC presidency, next Wednesday to hand the membership application to British Prime Minister John Major, reports Reuter.

Homeless families in US

NEW YORK, Nov 20: Their bed is a desk, or a chair, or a grimy floor. Their babies sleep in their arms. They are the families caught in the petherworld of the city's welfare system, spending days and nights in an office, — or hope. Critics, and the courts, say it's got to stop. They've been saying it for nearly 10 years. This time, it's come to a head. Last Friday, state Justice Helen Freedman held the city in contempt of court for leaving hundreds of homeless families overnight in city offices, reports AP.

France blames US for trade conflict

PARIS, Nov 20: France's Trade Minister took swipes at the United States and Britain Friday, saying they are largely responsible for the deterioration in trade relations between the European Community and the United States. Washington's objective in the farm trade talks is very clear, the minister said: "They want to become the world's biggest exporter of food products, and to wield a kind of food weapon over the rest of the planet." Industry and Trade Minister Dominique Strauss-Kahn said in a radio interview, reports AP.

Progress in EC-US trade talks, no accord yet

WASHINGTON, Nov 20: US and European Community negotiators ended two days of talks to avert a Trans-Atlantic trade war on Thursday without announcing an agreement, but saying much progress had been made, reports Reuter.

A spokesman for US Agriculture Secretary Edward Madigan said late on Thursday that Madigan planned to call EC Farm Commissioner Ray MacSharry early on Friday to resume discussions.

"Negotiations are going to continue tomorrow by telephone," Agriculture Department spokesman Roger Runtgen said, emerging from a late meeting with Madigan and several aides.

US Trade Representative Carla Hills and EC Trade Commissioner Frans Adriessen, speaking to reporters as the US-EC meeting ended, said the sides were very close and would continue work to resolve the dispute that is being blamed for holding up a global pact to liberalise world trade.

The EC negotiators left for

Brussels immediately after their brief comments.

The talks, which began on Wednesday, were aimed at solving a long-standing dispute over the EC's subsidies to its oilseed farmers, a payment programme that Washington says costs US farmers one billion dollar a year.

The administration of President George Bush has said it will impose tariffs of 200 per cent on 300 million dollar worth of EC exports, chiefly white wine, starting on December 5 if the EC does not reform its policies.

International panels have twice upheld US complaints that the subsidies violate global trade rules.

Causing even more concern to world trade official, the dispute has helped up a broader pact under the General Agreement on Tariffs and Trade to free trade in sectors ranging from banking to agriculture.

Hills said both sides needed to review additional data before negotiations would resume.

Hills' spokeswoman, Kathy Lydon, said no single working document emerged from the meetings but added, "there's been a lot of paper flying back and forth."

"We weren't close enough to a deal, gaps were narrowed substantially, but not enough," another US official said of the oilseeds issue.

"The Europeans were under intense pressure not to cave in to US demands that, the 12-member bloc reduce its oilseeds production to about eight million tonnes, from the current 13 million.

France, for example, insisted on Thursday it would refuse to sign any trade deal that hurt its farm interests. France has been the most unwilling in accepting cuts in subsidies on oilseeds, from which vegetable oils are produced.

"If it's not compatible, France won't be in a position to give its approval to the commitment," French Farm Minister Jean-Pierre Soisson said in Paris.

Protesting French farmers

burned an American flag and vandalised a McDonald's restaurant on Wednesday in Paris, for which Foreign Ministry spokesman Maurice Goudault-Montagne apologised to the United States.

European parliament for US-EC accord

AP adds from Strasbourg (France): The European parliament late Thursday urged EC and US trade negotiators to strike an immediate deal on a festering dispute over farm subsidies, before concluding the day's talks in Washington, DC.

In a 102-43 vote, parliament deputies appealed to both sides "to realise the seriousness of the actual situation, to live up to their responsibility for the development of a free and fair world trade system and to spare no effort... to achieve a political breakthrough."

The European parliament said it "deplores the failure so far of the EC and US negotiators to bridge their last remaining differences over agriculture so

that a global and balanced GATT round can be concluded by the end of the year and urges them to agree at their meeting in Washington this week."

Trade war may weaken NATO

AFP adds from Bruges (Belgium): Officials of the North Atlantic Treaty Organisation expressed fears Thursday that a looming trade war between the United States and the European Community could weaken the Trans-Atlantic military alliance.

NATO Secretary General Manfred Woerner told a gathering here of legislators from the 16-member alliance that Europe "cannot afford a trade war with the United States."

"Not only would it have disastrous economic consequences for both sides, it would negatively affect our security relations and damage our alliance," Woerner said.

He told the annual session of the parliamentary North Atlantic assembly that the US-EC dispute over European farm

subsidies should be resolved "in a spirit of compromise."

World trade accord by year end expected

Reuter reports from Geneva: A global Uruguay round trade treaty offering the world a way out of recession could be ready by the end of the year if the US and the European Community (EC) resolve their farm subsidy dispute, negotiators said.

But trade diplomats from developed and developing countries involved in over six years of discussion on the wide-ranging accord said several smaller hurdles remained to be cleared before it was finally secured.

"We can and must finish by Christmas," said one envoy to the Geneva-based General Agreement on Tariffs and Trade (GATT).

"We are waiting for a political decision from Washington and Brussels now," said another diplomat as US and EC officials met in the US capital for a last-ditch effort to settle the squabble that has hijacked the round.

G15 leaders prepare for summit to strengthen cooperation

DAKAR, Nov 20: Foreign Ministers from the 15 developing countries known as the G15 met here Thursday to prepare for a three-day summit from today (Saturday) aimed at strengthening South-South cooperation, reports AFP.

Participants said economic integration aimed at expanding trade and cooperation would be high on the agenda of their closed-door deliberations.

In March, the G15 steering committee — Senegal, India and Venezuela — had declared in a statement that regional economic groups are the backbone of strengthened, dynamic cooperation and favour all the countries concerned.

According to a draft document on the new world order to be submitted to the heads of state and government, joint efforts in the South could help build a platform for negotiations that would give developing countries, made more competitive in their relations with the North, real partnership status.

One concern of the Dakar summit will be how to avoid the marginalisation of developing nations because of the East-West rapprochement in political and economic cooperation, a reliable source said.

UK expresses concern over detention of BCCI staff in UAE

LONDON, Nov 20: The foreign office summoned the Ambassador of the United Arab Emirates on Thursday and expressed its concern over the detention conditions of seven British former employees of the failed Bank of Commerce and Credit International (BCCI) imprisoned in the UAE since the bank based there was shut down for massive fraud, says AFP.

Foreign Office Minister Mark Lennox-Boyd asked Ambassador Easa Saleh al Ourg that the men be allowed to exercise.

British officials and family members have been allowed to visit the prisoners, a foreign office spokesman said.

The seven former BCCI employees are of Pakistani origin but hold British passports.

An eight man, a diabetic detained in Abu Dhabi since September 1991, died recently.

SAARC heads of airlines meet postponed

COLOMBO, Nov 20: A meeting of heads of South Asian airlines due to be held here this month has been postponed indefinitely due to the inability of some of the participants to attend the conference, officials said Friday, reports AFP.

New dates for the conference of chairman of nine airlines from the seven countries in the South Asians Association for Regional Cooperation (SAARC) will be decided later, a spokesman for Sri Lanka's national air carrier, Air Lanka, said.

The meeting, which was scheduled to be held on November 24 and 25, was to have launched the formation of an association of South Asian airlines to address common needs and prepare the ground for sharing of equipment.

Kanamaru to face trial on opposition demand

TOKYO, Nov 20: Facing a deadline for action on emergency budget legislation, the ruling Liberal Democrats have accepted opposition demands for disgraced kingmaker Shin Kanamaru to testify on a scandal linking the party to the Japanese underworld, party officials said Friday, reports AP.

Bickering over the opposition's demands for testimony by Kanamaru and by former Prime Minister Noboru Takeshita on alleged contacts with a mob leader has stalled parliamentary debate for two weeks.

The impasse has delayed passage of a supplementary budget bill to finance an economic stimulation package announced in August. The approach of the Dec. 8 deadline of the parliamentary session had deepened worries about the government's ability to give the economy a badly needed boost.

The Liberal Democrats told opposition leaders late Thursday night that they would agree to some form of questioning of Kanamaru and Takeshita if the opposition would end its parliamentary boycott, party aides said Friday.



US and EC negotiators ended talks in Washington to avert trade war with no accord, US trade representative Carla Hills (extreme left), EC farm commissioner Ray MacSharry (second from right) and EC trade commissioner Frans Adriessen (extreme right) are seen before leaving for Brussels. — Star TV photo

OPEC will study 500,000 BPD cut to boost price

LONDON, Nov 20: OPEC will consider proposals for a deal to boost prices with output cuts of at least 500,000 Barrels Per Day (BPD) at talks in Vienna next week, OPEC sources said, reports Reuter.

But they added that, while this seemed a modest goal, diplomacy would be needed to bridge differences between rivals Saudi Arabia and Iran and concessions would be sought from both.

One mediator, Indonesian Oil Minister GINANJAR Kartasasmita, now says total OPEC volume of 24.5 to 24.7 million BPD would be "acceptable," down at least 500,000 from recent estimates.

The sources said Saudi Arabia may also decide that an OPEC total somewhere around that level would be feasible for

the next few months and could lift prices by 1.50 to 2.00 per dollar barrel.

This, however, is broadly the deal that was considered when OPEC last met in September. But it fell apart when Iran held out for a lower overall OPEC ceiling but also for a higher percentage share for itself — implying that Saudi Arabia should cut back to accommodate it.

In disarray, OPEC settled for a "gentlemen's agreement" from which Iran dissented and which has resulted in a steady rise in OPEC supply.

Mediators may now ask Saudi Arabia for at least a small output cut, even though the Saudis say they have kept the "gentlemen's agreement," both to help Iran to compromise and to give any OPEC accord

more credibility in a weak market.

But a Iran would have to overcome Saudi scepticism about its output capacity on which its claims to a bigger percentage share of the OPEC total are based, OPEC delegates said.

The Iranians say their output reached around 3.8 million BPD recently. Saudi Arabia suspects it was nearer 3.6 million and is unlikely to consider a cut of its own in return for what it would regard as a "phantom" Iranian reduction.

Some OPEC delegation sources say they have detected conciliatory signals from Saudi Arabia and Iran. Others say that negotiating postures do not seem to have changed yet and neither seems to be about to blink.

G-7 still hopes to reschedule former Soviet debt

PARIS, Nov 20: Western government creditors still hope to reschedule by the end of the month a large chunk of the 70-80 billion dollar in foreign debt owed by the former Soviet Union, a senior monetary official said on Thursday.

He told Reuters that deputy finance minister from the Group of Seven (G7) leading industrial nations made progress at a meeting in Paris on Wednesday but not all issues were settled.

"We're making progress. There are still matters that need to be worked on but we made headway, the official,

who participated in the meeting, said.

The full Paris Club of western government creditors will meet, as planned, next week to try to hammer out a final deal.

After its last meeting devoted to the former Soviet Union, the Paris Club said on October 28 that it hoped to agree on a rescheduling by the end of November.

The G7 official said this was still the plan. Our intention is to do this by the end of the month, he said.

The official declined to spell out the obstacles still in

the way of an accord but indicated that the question of who was

Responsible for the debt on the part of the Soviet Union's successor republics had not yet been settled satisfactorily.

"There are still some aspects being worked on he said, when asked who will repay the debts.

Russia has agreed with all but one of the Commonwealth of Independent States (CIS) on how to repay debts built up by the former Soviet Union, foreign economic relations minister Pyotr Aven was quoted on Wednesday as saying.

Singapore bans sale of Rhino horns

SINGAPORE, Nov 20: Responding to criticisms that it was a center for illegal trade in endangered animal species, Singapore banned the sale of rhinoceros horns and rhinoceros products from Friday, reports AP.

The import and export of rhinoceros products has been prohibited since 1986, when this city-state was pressured by the United States to join CITES, the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

But people who already had rhinoceros horns of products were allowed to continue selling existing stocks until Friday, when the government banned all such sales in response to a call by CITES to take stricter measures.

"The rhinoceros is one of the most endangered animals in the world. Illegal trade, poaching and habitat destruction has hastened its decline in the wild," a government statement said.

CITES and other wildlife organizations "have identified market demand for its horns as one of the main factors contributing to the continued poaching and want on killing of the rhinoceros," it said.

Greece won't permit foreign workers in 1 yr

ATHENS, Nov 20: Greece will not issue work permits to Asians, Africans and Latin Americans for one year in an effort to cut unemployment among its own workers, the Labour Ministry said Wednesday, reports AP.

The ban will not affect people who already have work and residence permits. It also does not apply to countries which have employment agreements with Greece, such as Egypt.

A Labour Ministry spokesman said the measure aims at opening the labour market to unskilled Greek workers by reducing the number of Filipino and Latin American maids and nannies as well as African farm hands.

According to 1990 figures, there were more than 5,000 Asians, mostly Filipinos, and 2,000 Africans with work permits. No figures were available for Latin Americans.

The unemployment rate in Greece was 8.9 per cent last month.

The government has said there are nearly 500,000 illegal immigrants working in Greece. About 150,000 are Albanians who have slipped across the border seeking work. The others include Iraqis, Kurds, Pakistanis, Bangladeshis, Africans and refugees from the former East Bloc.

Speaker backs foreign investment in Iran

NICOSIA, Nov 20: Iran's parliamentary Speaker defended President Akbar Hashemi Rafsanjani's economic reforms, including foreign investment, as the only way out for Iran despite vigorous opposition from hardliners, reports Reuter.

"At present, we do not have the ability to provide everything ourselves," the Iranian news agency IRNA on Wednesday night quoted Ali Akbar Nateq-Nouri as saying in an interview with Kayhan newspaper.

"In my views, making use of foreign investments to the extent allowed by the constitution is not harmful. However, we should be careful of its side effects," he added.

Hardliners in Iran are vigorously opposing Rafsanjani's plans to allow foreigners to invest in selected Iranian pro-

jects 13 years after the Islamic revolution severed most of Iran's economic links with the west.

They also argue that reforms such as the scaling down of government subsidies and privatisation of state monopolies would further impoverish a hard-pressed population.

"Some may say that if they (foreigners) come they may bring corruption along... well if an ambassador comes he may bring more corruption with regards to his immunity. We cannot say that there should not be embassies or experts," Nateq-Nouri said.

He also defended Iran's planned cooperation with the World Bank, which hardliners have described as a tool of the United States.

Nateq-Nouri said members of parliament backed Rafsanjani's economic policy.

US investors announce deal on Russian-Pacific telecom venture

WASHINGTON, Nov 20: An American investors group has announced a deal for leasing and launching Russian-made satellites from a former Soviet spaceport to provide telecommunications to Pacific Rim countries, reports AP.

Rimsat Ltd, based in Nevada and incorporated on Nevis, in the Eastern Caribbean, said the satellites would orbit in slots allotted to the South Pacific Kingdom of Tonga by the UN International Frequency Registration Board.

Opportunity was created for Rimsat because the region stretching from China and Korea to the Indian Ocean, despite exploding demand, is underserved by telephone and other modern communications, Rimsat Chief Operating Officer Michael A Sternberg

told a news conference.

Rimsat found a way to cut costs by turning to Russia at a time when, "aerospace companies in the rest of the world were leery of dealing with a country they regarded as unstable," he added.

The Russian aerospace industry was intact, with "a wealth of rocketry and satellite experience and an excellent track record of successful heavy-lift launch capacity," said Sternberg, who is of Russian ancestry.

"The Russians can build and launch a satellite in less than a year," about one-third the time it takes US builders, he said. Rimsat's venture helps conversion of Russian industry from military use and this is in the interest of the United States and the West.

Saddam extends time to clear banned goods

BAGHDAD, Nov 20: President Saddam Hussein, battling stringent UN sanctions, decided on Thursday to give hard-hit Iraqi traders more time to clear banned goods from their shops, reports Reuter.

Baghdad newspaper quoted a statement by the presidential office as saying that the November 20 deadline will be extended to December 10 and that punitive measures will be taken against violators after that date.

"President Saddam Hussein has ordered that the period for the clearance of banned goods be extended to December 10

instead of November 20", the newspaper said.

"All the prohibited items seized after that date will be expropriated and the violators will be taken to court for trial under the charge of economic sabotage in war circumstances," the presidential statement as saying.

Saddam's order was issued one day after a newspaper owned by his eldest son Uday published an article criticising the trade ministry's decision to ban the import and trade in a long list of foreign goods.

Gaddafi plans direct distribution of oil wealth to Libyans

CAIRO, Nov 20: Muammar Gaddafi's plan to distribute half of Libya's oil revenues directly to its population and encourage people to emigrate suggests a government struggling with economic crisis and unpopularity, reports Reuter.

"This is direct distribution of oil wealth to all Libyans," Gaddafi told an extraordinary session of the general people's congress, Libya's version of a parliament, on Wednesday. "Every Libyan family will have the right to its share."

But he said priority in distributing the cash would be given to Libyans who emigrated to Egypt, Sudan or Chad — one of several indications that the aim of the scheme was to help people survive economic troubles that have provoked a rising tide of dissent.

Gaddafi said he hoped 100,000 of his country's 600,000 families would leave and advised Libyan traders to move out because disaster is going to befall businesses in Libya."

Other statements — he announced the reopening of subsidised state ships and said he favoured rationing — also suggested serious

economic problems.

Journalists visiting Libya in recent months have been struck by the economic chaos that 23 years of Gaddafi's eccentric brand of socialism has caused and by the readiness of ordinary Libyans to denounce their leader openly.

A year-long crisis with the west over airliner bombings has brought simmering discontent to the boil. People are openly sick of revolutionary policies that have hit living standards and isolated them from the rest of the world.

Libya produces about 1.5 million barrels of oil a day and has only four million people. But billions of dollar have been spent on armaments and grandiose projects of dubious economic value. These include the great man-made river, a mammoth scheme to pipe water from desert wells to the coast.

Money has been invested in first-class roads and prestige hotels. But in the capital, garbage rots in side streets between lines of dilapidated concrete apartment blocks because

basic services such as rubbish collection barely work.

Gaddafi said Libya had spent 23 billion dollar on armaments over the last 20 years, declaring: "We went too far in this."

A European diplomat in Tripoli cautioned that Gaddafi's motives were unclear and he could be seeking to manipulate Libyan public opinion in advance of a possible tightening of UN sanctions next month.

The United Nations Security Council imposed an air and arms embargo on Libya in April to back western demands that Tripoli hand over for trial two men accused of bombing a Pan Am airliner over the Scottish town of Lockerbie in 1988.

The resolution also ordered Libya to cooperate with investigations into the bombing of a French plane over Niger in 1989. The two attacks killed 441 people.

The diplomat said relatives of the Lockerbie victims had been active in lobbying incoming US President Bill Clinton to take tougher action against Libya and he was reported to be sympathetic to the idea of an oil embargo.

"I would not be surprised if this is connected to Lockerbie," he added.

The Lockerbie crisis grips every aspect of government activity in Libya but the leadership has shown no sign that it is willing to make the crucial concession demanded by the west and hand over the two suspects for trial.

The 3,000-member congress issued a final political declaration on Wednesday repeating its position of last June that the suspects could stand trial in a "just and fair court."

This appeared not to rule out their trial in Britain or the United States but fell short of promising to hand them over.

The diplomat said that if the Security Council decided to ban Libyan oil exports when it reviews the sanctions around December 15, Gaddafi could say to his people: "I was going to give you the oil money but now I can't do it."

"If he thinks there could be a resolution which could impose oil sanctions of Libya, he could start to prepare position where he could get the people around him," the diplomat added.