US productivity rises by 3 pc

WASHINGTON, Dec 4: The productivity of American workers increased at a healthy three per cent annual rate during the July-September quarter, continuing a string of strong gains. the government said Thursday. The seasonally adjusted increase in non-farm productivity - defined as output per hour of work followed a 1.7 per cent gain in the second quarter and a 3.7 per cent surge in the first three months of the year. For the year so far, productivity gains are averaging 2.8 per cent, a huge improvement over the 0.5 per cent rate for all of 1991, reports AP.

Plan for universal health-care coverage

NEW YORK, Dec 4: The health insurance industry on Thursday broke with past policy and presented a plan for universal health-care coverage and an end to tax breaks for insurance purchases. The proposal, part of a policy statement approved by the Health Insurance Association of America's board of directors, endorses "comprehensive reform of the health-care system." The association, which represents 270 commercial insurers, had opposed change in the nation's health-care system but now appears willing to work with President-elect Clinton and accept wholesale modifications, reports AP.

GM announces closure of plants

DETROIT, Dec 4: General Motors Corp said Thursday it will close seven, and maybe as many as nine, plants, completing its previously announced plan to close 21 plants by 1995. Among them are plants in Delaware, New York and Ohio. The plants employ about 18,000 people, some of whom will be able to move with the work. Others will be laid off and placed in a pool of workers receiving up to their full benefits, reports

Dollar higher in New York

NEW YORK, Dec 4: The American dollar ended higher against most key currencies Thursday, strengthened by year-end demand, weakness in the powerful German mark and additional evidence that the US economy is improving. Gold prices were off slightly. On the Commodity Exchange in New York, gold for current delivery fetched 335.50 dollar off 40 cents from Wednesday. At the Republic National Bank in New York, the 4 pm (2100 GMT) spot quote was 335,30 dollar off 40 cents from the same time Wednesday, reports AP,

Gaidar calls for cooperation

MOSCOW, Dec 4: Acting Prime Minister Yegor Gaidar offered to cooperate with centrist factions in Russia's top legislature Thursday to press through economic reform against resistance from hardliners. "Our friends and colleagues from the centrist factions underestimate the opportunities for compromise and flexibility in cooperation to build a normal civilised economy," Gaidar told parliament after a day of debate that produced fierce hardline attacks on his government, reports Reuter.

Dollar higher in Tokyo

TOKYO, Dec 4: Share prices were mixed in thin trading Friday morning, as the US dollar inched up against the yen. The US dollar was changing hands slightly higher at 124.67 yen at late morning. It opened at 124.60 yen, up 0.05 yen from Thursday's close, and down from it's overnight close at 124.65 yen Thursday's close, and down from it's overnight close at 124.65 yen in new York. Tatsuru Nishio, a Chemical Bank dealer, said trading was quiet all morning, reports AP.

Clinton holds talks with FRB chief

LITTLE ROCK (Arkansas), Dec 4: President-elect Bill Clinton discussed the state of the US economy here Thursday with the influential Chairman of the Federal Reserve Board, Alan Greenspan. The two men met at the Arkansas governor's mansion to reach "a common understanding of the basic economic situation," said Clinton's Communications Director George Stephanopoulos, says AFP.

EC, US negotiators agree on farm deal

BRUSSELS, Dec 4: The European Community and the United States opened the door to a new era in world trade by agreeing to the final details of a key farm deal, reports Reuter.

The accord, crucial to concluding six years of talks on revitalising world commerce into the 21st century under the General Agreement on Tariffs and Trade, was tied up on Thursday after two days of

US negotiator Joe o'Mara and his EC counterpart Guy Legras agreed to the small print of a trade deals truck 13 days ago, against strong French opposition, on cutting EC oilseeds output and farm subsidies.

*Current discussions have ended... there was full agreement," a US diplomat said.

The negotiators finalised

Lawmakers okay

demand for brake

on Russia's

economic reform

pro-market government suf-

fered a setback on Friday when

the Congress of People's

Deputies approved in principle

a motion demanding a brake

supreme legislature's conser-

vative majority won a crushing

668-210 victory. But there was

no repeat of Thursday's brawl-

ing, when deputies traded

pushes, shoves and even blows

agreed on Friday that the

Congress ethics commission

should discuss the brawl,

which was shown on television.

be debated point by point and

can be amended. But it would

be difficult to change the main

thrust, which was highly criti-

cal of acting Prime Minister

HONG KONG, Dec 4: Hong

Kong investors are starting to

question the territory's long-

term economic viability fol-

lowing the stock market's

dramatic nosedive this week in

reaction to escalating tensions

between China and Britain,

writes AP.

Yegor Gaidar's cabinet.

Today's resolution will now

The 1,000-odd Deputies

in the grand Kremlin Palace.

Passions ran high as the

on its economic reforms, re-

ports Reuter.

MOSCOW, Dec 4: Russia's

the deal just two days before the United States was due to impose punitive duties on 300 million dollar worth of food and wine imports from the

community A spokesman for the EC's executive commission said all the details of the verbal agreement struck over the telephone on November 20 had now been agreed.

"High officials have been completing the fine-tuning of the accord. That is now done," the spokesman said.

The accord, the last major barrier to ending the GATT talks, still has to go to US Trade Representative Carla to formally lift the Hills threatened sanctions.

It was struck despite fierce opposition from the French government, which is facing elections by march and is eager not to further alienate its

powerful farm lobby already annoyed by cuts in the EC's Common Agricultural Policy (CAP) agreed in May.

France, the EC's top farm producer and exporter, argues that the deal breaches the CAP reforms and is therefore unacceptable - an allegation strongly denied by community Farm Commissioner Ray Mac-Sharry and External Trade Commissioner Frans Andriessen who negotiated the

original accord. French politicians, dismayed by violent demonstrations by its farmers since the November deal, have suggested vetoing the accord even at the risk of triggering a crisis in a community already weakened by political and financial tur-

AP adds: EC Agriculture Commissioner Ray MacSharry on Thursday again sought to

TOKYO: Japanese International Trade and Industry Minister Koze Watanabe (R) sits in the

passenger seat of a solar-powered car at an air-pollution vehicles exhibition sponsored by the

International Trade and Industry Ministry Dec 3. Some 20 new anti-pollution cars are being

ther side and then it'd be off

to the races," said an analyst at

Economic growth is pro-

jected at more than 5 per cent

this year, unemployment hov-

ers around 2 per cent, and ties

with China's booming, market-

driven southern provinces

a local brokerage house.

shown at the exhibition. Behind the steering wheel is an unidentified event official.

convince European Community farmers the farm trade deal he negotiated with Washington last month safeguards their

sector. Addressing EC business leaders here, MacSharry said an early conclusion of a world trade accord was in the interests of the whole world."

But in his speech he dwelt at length on the EC's Nov 20 farm trade deal with Washington aimed at ending an impasse in broader, 108-nation world trade talks.

He said the EC-US accord "responds to all our concerns" to maintain a viable EC farming community, now numbering nine million farmers.

The EC Commission has said the deal is compatible with already adopted reforms in the trade bloc's pricey farm

programme. The agreement calls for

- AFP/UNB photo

on Monday that any contracts,

leases or agreements signed

by the British colonial govern-

ment but not approved by

Beijing won't be honoured by

The warning followed the

Hong Kong government's deci-

sions last week to start build-

ing a planned multi-billion dol-

the Chinese side after 1997.

cuts in the amount of land on which oil seeds are grown and a 21 per cent trim in the volume of subsidised EC farm ex-

The EC remains committed "to maintaining viable rural communities," MacShary said. *Our farmers and their

prosperity are central to that

policy and will continue to be." Referring to agricultural negotiations within the world trade talks, held within the General Agreement on Tariffs and Trade, the EC has always "sought to be realistic about what could be delivered economically, socially and politi-

He called on others to make concessions. He did not name these countries but his comment was clearly directed at South Korea and Japan which oppose an opening of their markets to foreign rice.

Partial ban on waste export to developing states likely

PIRIAPOLIS, (Uruguay), Dec 4: Delegates from 56 nations were close to agreeing Thursday on a partial ban on hazardous waste exports from industrial countries to

developing ones, reports AP. A main obstacle was whether to allow the shipment of wastes that contain recyclable material. Some developing nations, such as Nigeria, initially demanded a total ban. Industrial countries refused.

"Will industrial countries agree to a total ban on exports of hazardous wastes? I don't think so," said Wilhelm Schmid, Deputy Director of Swizerland's federal office on the environment.

would become part of the Basel Convention, a 1989 hazardous waste-control pact signed by 35 countries. Japan, the United States and some the biggest European countries have not ratified it, but have indicated they will do so soon.

The week-long conference sponsored by the UN Environment Programme ends Friday. In addition to the United States and Japan, it includes representatives o Britain, France, Germany, Sweden, Switzerland, Denmark,

Canada, Australia and Brazil. By one estimate, industrialised nations shipped 3.5 million tons of hazardous wastes to developing countries in

if approved, the partial ban

Agitation poses threat to foreign investment in

LAHORE, Dec 4: Finance Minister Sartaj Aziz said an anti-government opposition agitation posed a threat to prospects of foreign investment in Pakistan, reports Reuter.

Pakistan

He was speaking to reporters in the Punjabi provincial capital of Lahore after an a opposition alliance led by former Prime Minister Benazir Bhutto resumed a protest march aimed at toppling Prime Minister Nawaz Sharif's 25-month-old government.

Industries Minister Sheikh Rashid Ahmed said last week he expected foreign investment to rise to two billion in fiscal 1992/93 (July/June) from 600 million dollar in the past five months.

"I would like to make it clear that foreign investors have not withdrawn their plans to invest in Pakistan," Aziz said "but they have been pushed to sit at the fence, watch and make up their mind whether to come forward for invest-

Aziz was speaking to reporters after opening a housing finance company with foreign participation.

The Citibank housing finance company is the first of the seven such companies to whom letters of intent have been issued under a legal framework created by Aziz's ministry in cooperation with the United States Agency for International Development (USAID).

France forecasts 2.6 pc GDP increase by next year

PARIS, Dec 4: French Finance Minister Michel Sapin maintained his growth estimates for the French economy in statements on Thursday, estimating that gross domestic product (GDP) would increase by 2.6 per cent in real terms next year, after 2.1 per cent this year, reports AFP.

He said at a ceremony at which the prize for the year's best annual report awarded by the review La Vie Francaise was given to Elf Aquitaine that "we announced 2.1 per cent growth for this year and we'll get 2.1 per cent. We're already at two per cent."

Sapin noted that next year would bring "a very marked slowdown in growth in many of our current partners in Europe, particularly in Germany. He said France was not immune to such a "general European slowdown," but on the other hand US 'growth is picking up and that fact will offset the European effect.

Borrowing from sailing terminology, the minister said

Bush to sign accord on trade with Mexico, Canada

WASHINGTON, President Bush and the leaders of Mexico and Canada will sign the trade agreement designed to create the world's largest free trading area on December 17, the White House announced Thursday, reports AP.

Bush will sign for the United States at a ceremony to be held at the Organization of American States in Washington while Prime Minister Brian Mulroney and Mexican President Carlos Salinas de Gortari will both sign in separate ceremonies in their countries.

The signing is a formality Negotiations on the 2,000page agreement that would create a continent-wide free trade zone were concluded in August and the three leaders gathered in San Antonio, Texas, in October to watch as their negotiators initialed the document.

After the formal signing in two weeks, the administration must prepare and submit to

Congress legislation that would implement the proposal. Both houses of Congress then have 90 legislative days, which could stretch up to five months, to approve or reject the trade agreement.

The accord, which is scheduled to take effect January 1, 1994, would remove tariffs and other barriers to the movement of goods, services and investment among the three countries, creating the world's largest and richest trading bloc, covering 360 million people.

President-elect Clinton has expressed his general support, saying he would not demand that the main agreement be renegotiated. However, he also has voiced a series of reservations in areas such as the environment and job protection and said he would demand side letters in those areas that will require further negotia-

Kuwait now to stay out of OPEC quota

KUWAIT, Dec 4: Kuwait will try to keep out of the OPEC quota system until it has restored production capacity to 2.5 million Barrels Per Day (BPD) Oil Minister Ali Ahmed al-Baghli said in an interview published on Thursday, says Reuter.

"When it does rejoin the system, it should have a quota at least equal to that of the United Arab Emirates (UAE) which now stands at 2.26 mil-

lion BPD. At a ministerial meeting in Vienna last month, OPEC (the Organisation of Petroleum Exporting Countries) again allowed Kuwatt to produce at will to compensate for lost production during the Gulf crisis and to pay the costs of the conflict.

But Kuwait had come under pressure to accept a quota at its current production level -1.5 million BPD. Baghli, in the interview

published in the newspaper Al-Watan, said: "Kuwait's quota in the July 1990 agreement, just before the invasion, was the same as the UAE's, and in the present agreement the UAE's is 2.26 million."

"How could be justify accepting a quota of 1.5 million? where's the logic in this discrimination in treatment?"

"I feel that there's no question of talking about fixing Kuwait's quota in an OPEC agreement until Kuwait restores its production capacity to what it was on August 2, 1990 (the day of the invasion) - 2.5 million BPD," he added.

Russia fails to repay \$4.8m US loan

. WASHINGTON, Dec 4: Russia defaulted on more USguaranteed loans Thursday, adding 2.9 million dollar to the 4.8 billion dollar already in arrears this week, an Agriculture Department spokesman said, reports AP.

Roger Runningen said USDA was notified late in the day by at least two banks that Russia was in default on the 2.9 million dollar. On Monday, Russia missed payments totaling 4.8 million dollar and was suspended from a government export credit guarantee programme for the second time in two weeks.

Agriculture Department officials, including Secretary Edward Madigan, have insisted that Russia's credit problems are temporary.

The Bush administration has guaranteed about 5 billion dollar in credit to help Russia, Ukraine and the former Soviet

Union as a whole buy US farm products. The former Soviet Union was the United States' top foreign wheat customer and its second-biggest corn customer in the fiscal year that ended September 30.

Russia is responsible for repaying nearly all of the debt has made payments totaling 887 million dollar since it received the first credits in January 1991.

Russia now faces payments of 117 million dollar in December, 143 million dollar in January and 213 million dollar in February. It also has about 171 million dollar in credit guarantees outstanding and is supposed to receive an additional dlrs 275 million in January.

Russia went into default on its payments for the first time last week, when it was late with 10.9 million dollar owed to four banks. Although it repaid that money, it was then late with 405,000 dollar and was at risk of defaulting on 2.4

million dollar. Although those payments were resolved last week, this weck has brought a new round

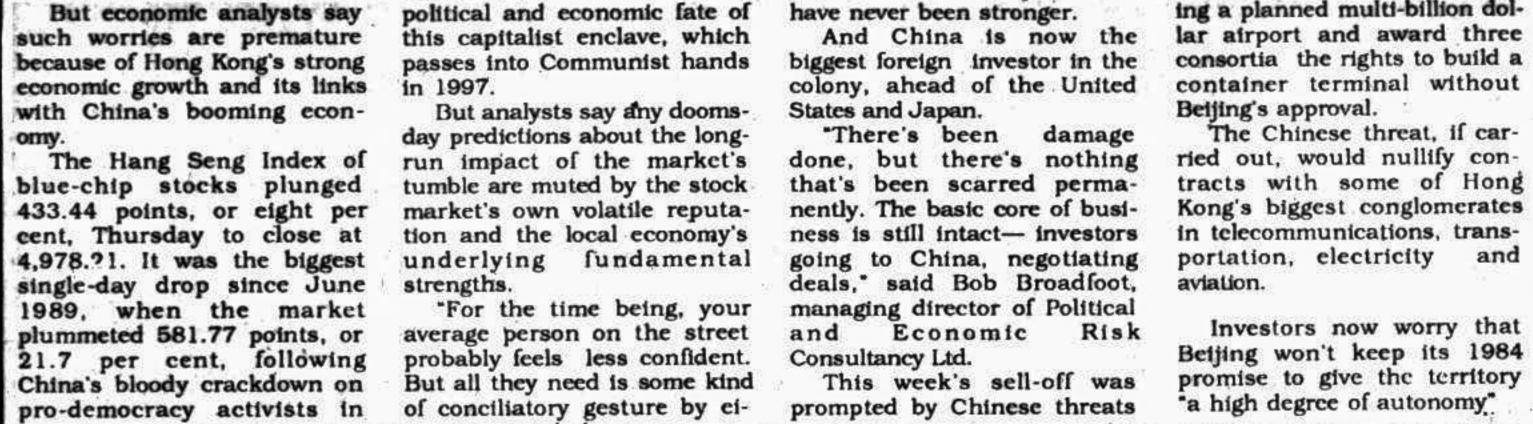
of defaults. A Bush administration official, speaking on condition of

anonymity, suggested that Russia may be late with its payments because the country's leaders are wrestling with the turmoil in the Congress of people's Deputies Their focus is elsewhere

and has been for the last few days," the official said. "Right now, the attention is on the political atmosphere. The official refused to spec-

ulate on how much longer Russia's repayment troubles could linger.

partment had been assured by a Russian official that Russia would catch up its payments.



Tensions make HK market uncertain

Developing nations criticise WB policies on environment

ABIDJAN, Dec 4: More than Thursday on funding global environment programmes, overshadowed by a campaign to limit the role of the World

bank's environment policies.

leading voice of developing nations behind a campaign by Non-Governmental Organisations (NGOs) opposing a dominant World Bank role in

nance with the views of coun-

"A restructured GFF must affirm total transparency and full access to information throughout the entire project cycle in accordance with the

"In this respect we urge

gates told Reuters their underlying concern was that environment funding could be linked to the kind of stringent conditions associated with the World Bank and the International Monetary Fund.

The GEF was founded two years ago to provide grants to developing countries for projects aimed at a protecting the global environment. Its controlling agencies are the World Bank, the United Nations Environment PrograA GEF statement said the

The outspoken stand of NGOs has in the past split international environment meetings into north-south camps.

Japan, reflecting fears of industrialised countries of the north, voiced opposition in Abidjan to direct NGO participation in GEF meetings.

danger that the DEF process will breakup, Japan's chief delegate Naoki Kajiyama warned delegates.

mme and the development participants' stated wishes." the United Nations, Razali agency UNDP. Ismail, told delegates in the he said, reading from an NGO

40 governments began talks on

Bank, says Reuter. Developing countries at the Global Environment Facility (GEF) meeting in Abidjan gave broad support to non-governmental agencies attacking the

Malaysia emerged as the

environment funding. "The points made by the NGOs are in complete consotries of the south," Malaysia's

permanent representative to

opening debate.

So far this week the Hong

Brokers expect further

Kong market has shed more

than 1,000 points, or 16.8 per

losses as investors remain jit-

tery over the increasingly nasty

Sino-British tussle over the

NGO spokesmen accuse the World Bank of linking environment programmes in developing countries to larger bank projects which themselves may have serious ecological implications.

Information on the larger projects is usually not available to developing countries, they told Reuters.

NGO leader Charles Abugre demanded a restructuring of the fund in line with decisions of last June's Rio Earth Summit calling for transparency and accountability.

statement.

participants to challenge the World Bank's proposed operational directive on the disclosure of information which is being submitted to the bank's

Some Third World dele-

Abidjan meeting would discuss an restructuring of the fund's "decision-making system to ensure that neither donor nor developing countries have a disproportionate

"If we proceed too far and too fast, there is an inherent

Non-durable goods book-

In a second report, the

Labour Department said the

cent, pulled down by de-

making much headway."

that France is fully ready to take advantage of the US rally, since it "has all sails hoisted," even though "the ship is not

by a 19.7 per cent surge in the transportation component, led by orders for aircraft and mosignificant. ings, however, slipped 0.7 per creases in tobacco, chemicals

reported that the productivity of American workers increased at a 3 per cent annual rate in the July-September quarter, even better than the 2.6 per cent gain in its initial estimate a month ago.

crease in non-farm productivity - defined as output per hour of work - followed a 1.7 per cent gain in the second quarter and a 3.7 per cent surge in the first three months of the year. For the year so far, productivity gains are averaging 2.8 per cent, a huge im-

If they continue, the gains would translate into a healthier

economy that supports an increasing standard of living for Americans. In the short run, however, it means those who have jobs

are working harder and longer to produce more with less. For the jobless, that means fewer employment opportunities.

while, continue to cut operations and jobs in their effort to improve productivity and competitiveness.

One, General Motors, announced on Thursday it will close seven, and maybe nine, plants in the next few years, completing its previously announced consolidation plan to close 21 plants.

US economy expanding modestly following its summer slump A moving four-week aver- provement over the 0.5 per WASHINGTON, Dec 4: A found 29 per cent believe the mous in predicting that the durable goods rose 4.1 per age of claims, considered a cent rate for all of 1991. batch of government and pri- economy is improving, up recovery will remain far cent. The increase was paced

tor vehicles.

and food products.

vate reports on Thursday bolstered the growing belief that the economy is expanding modestly following its summer

slump, reports AP. "We're beginning to see signs of life in this economy," said economist Kermit Baker of Cahners Economics in Newton, Mass.

In a series of reports, the government said factory orders grew in October for the second straight month, new claims for jobless benefits fell again and the productivity of American workers continued

to improve. An Associated Press poll completed this week also showed that Americans' confidence in the economy was improving.

The poll of 1,002 adults

from 5 per cent in a comparable poll a year ago. The pessimistic share that thinks the economy is getting worse fell to 27 per cent from 69 per

The nation's major retailers, meanwhile, reported sales began to improve in late November. Many are looking for their best holiday shopping season in four years.

cent.

"Tomorrow (Friday) will be the clincher," Baker said, referring to the Labour Department's report on the employment situation in November.

If the number of jobs created last month approaches 100,000, he said, "that will convince the skeptics. If the number is weak, people will be scratching their heads." Still, analysts were unani-

weaker than during most previous rebounds from recession. "The bottom line here is it's still going to be a recovery

at a snail's pace compared with other similar periods in the past," said David Jones, an economist with Aubrey G Lanston and Co, a New York securities dealer. In one government report

Thursday, the Commerce Department said orders to US factories grew 1.7 per cent in October, to a seasonally adjusted 244 billion dollar, up from 240 billion dollar in September. It was the largest increase since a 2.4 per cent gain in June. Orders slumped 0.9 per cent in July and 2.2 per cent in August. Order for long-lasting

number of Americans filing first-time applications for unemployment insurance fell by 12,000 to 362,000, during the week ended Nov 21. Jobless claims now have declined in seven of the past

nine weeks and have held below the 400,000 mark for 13 of the past 15 weeks. Some analysts say the job market should improve modestly if claims remain below that level.

more reliable indicator of labour market trends, inched up by 500 to 369,250 for the latest four-week period, an increase analysts considered in-The Labour Department also

The seasonally adjusted in-

Major companies, mean-

Madigan, at a news conference Tuesday, said the de-