Ex-Soviet republics hold talks with WB

PARIS, Dec 18: Four for mer Soviet republics came away pleased after their first meetings with the World Bank to week aid in converting to market economies, a bank official said Thursday. Launching a new post-Cold War ritual, delegations from the Central Asian republics of Kazakhstan, Uzbekistan, Kyrgyzstan and Azerbaijan met separately this week with donor governments at the World Bank's Paris office. reports AP.

UK unemployment up by 41,000 in Nov

LONDON, Dec 18: British unemployment increased by 41,100 in November, the 31st consecutive monthly rise, the Employment Department said Thursday. An estimated 2,908,900 people, or 10.3 per cent of workforce, are now out of work, the department said, reports AP.

Japan will lend \$100m to Pakistan

TOKYO, Dec 18: Japan will give Pakistan yen credits worth 100 million dollar for emergency relief following flooding there this summer, the Foreign Ministry said Thursday. Visiting Pakistani Prime Minister Nawaz Sharif received the pledge in a meeting with Japan's foreign minister, Michio Watanabe, said a ministry official who requested anonymity. The official said the credits will be used to help the Pakistani economy recover from floods in August and September, according to AP.

Export prices up by 7 cents in Egypt

CAIRO, Dec 18: Egypt's oil export prices rose by seven cents a barrel this week, the first increase after a steady decline that began in late October, the Oil Ministry said Thursday. A ministry official, speaking on condition of anonymity, said the rise reeovered all six export blends, reports AP.

French police seek clue in bank robbery

TOULON, France, Dec 18: Police Thursday sought clues in the biggest bank robbery in French history, a smooth as silk operation by about 10 men who helped themselves to 30 million dollar from the Bank of France. Investigators said the 160 million francs worth of stolen bills, taken Wednesday evening from a branch in this southern port city, could be difficult to trace, reports AP.

Australia's wool price falls by 12pc

SYDNEY. Dec 18: Australia's wool price lost 12 per cent in 1992 to close the year with the national indicator at 5.09 Australian dollar (3.50 US) a kilogram (2.2 pounds) clean the Australian Council of Wool Exporters (ACWE) said in its market review that the 22-micron category closed at 5.45,13 per cent below last year, while the 23-microns was 5.30, down 11 per cent. reports

US, China restore trade talks

BEIJING, Dec 18: In the first high-level trade talks in four years, US Commerce Secretary Barbara Franklin expressed Washington's concerns Thursday over its huge trade deficit with China, expected to top 18 billion dol lar this year. Later, in a speech to the local American Chamber of Commerce Franklin agreed with a businessman who said the deficit not human rights, should be the main issue in deciding whether to cancel China's most-favoured nation trade status, reports AP.

Boeing will sell six planes to China

BEIJING, Dec 18: Boeing Co. will sign a 700 million dollar contract Thursday to sell six jetliners to China Southern Airlines, US Commerce Secretary Barbara Franklin announced, Franklin, the highest-ranking US official to come to China in more than a year, is on a fence-mending trip intended to promote US exports. The United States is expected to have a 18 dollar billion trade deficit with China this year Boeing's Canton office confirmed that a contract will be signed in the southern city Thursday night but refused to disclose any details. Boeing Vice President Neil Stanbal is expected to attend the ceremony, reports AP.

World trade deal becoming increasingly remote

Business

GENEVA, Dec 18: Top trade negotiators said Thursday that chances for a crucial world trade deal to boost the global economy were becoming increasingly remote and that a Christmas deadline for broad political consensus would almost certainly be missed, reports AP.

As the European Community's executive commission tried to stifle a French rebellion, a US official accused Paris of seeking to block the most ambitious attempt ever made to cut barriers to exports.

"The problems will require an awful lot of leadership and political will to resolve," the US negotiator said.

"We are obviously faced with circumstances in which it's becoming increasingly difficult to imagine how we can possibly wrap up the political consensus on the text of the Uruguay Round agreement in the near future," he said.

Arthur Dunkel, head of the General Agreement on Tariffs and Trade, scheduled a highlevel meeting Friday to "take stock of the current situation."

The meeting was originally scheduled for December 23, in the hope that negotiators would be in a position to an nounce political consensus on the 108-nation trade accord crowning more than six years of tough bargaining.

The GATT is sponsoring the so-called Uruguay Round of talks. The talks are meant to cut barriers to trade in traditionally protected areas like farm products and textiles and introduce much-needed new rules to open markets to foreign suppliers of services like banking. It is estimated that the liberalisation package will lead to annual income gains of nearly 200 billion dollar by

the year 2002. The talks, launched in 1986, should have ended two years ago but were blocked by a US-EC farm row. Last month's deal between the two

trade giants to cut farm subsidies boosted hopes that an overall accord twas finally in

However, optimism has faded rapidly in the past week as new obstacles have appeared in a whole variety of sectors.

The US negotiator described the situation as 'very grim' and confirmed there would be no political deal by Christmas. The EC chief negotiator

Hugo Paemen told a news conference that it was still "completely possible" to reach a final Uruguay Round accord by March. "But of course" the political will has to be there." The US administration's

special negotiating authority from Congress expires at the end of February. It is unclear whether incoming President Clinton will seek to renew that authority or whether he will try to renegotiate the entire package— a process that could take years.

Despite the brave words from the EC's Paemen, some negotiators say privately that the March target is now unrealistic because of the harden-

ing French position. French Foreign Minister Roland Dumas dropped bombshell Wednesday evening by declaring that Paris regarded the EC commission's offers to cut tariffs on imported farm goods as "null and void." Dumas accused the commis-

sion of violating its mandate. France has so far blocked EC approval of the Washington accord and maintains that in the meantime the commission has no right to resume the international negotiations. France has the power to veto

any trade accord. Many French farmers fear they will be forced out of business if agricultural supports are cut and French President Francois Miterrand needs their backing in elections next March.

British farm minister John

Gummer dismissed Dumas' obtections. "I don't think that has any connection with life at all," he said.

The EC commission officials also hit out at France and sought to reassert central authority over the troublesome nation.

"We are negotiators for the Community, said Paemen "We are not unguided missiles ... We owe it to the heads of

state and government to achieve an early comprehensive and balanced agreement." However the US negotiator who spoke on condition of anonymity, said the French

announcement raised doubts about the EC commission's ability to continue negotiations. He said in the run-up to the election. France seemed to be

toughening its opposition to trade liberalization in agriculture, industrial products and telecommunications. Adding to the gloom, the

US negotiator said the EC was now pressing for the audiovi-

IBM's recovery

pushes shares

up on Wall

Street

NEW YORK, Dec 18: Blue-

chip stocks rose on Wall Street

on Thursday as a recovery in

the shares of International

Business Machines Corp ended

the market's five-day losing

The Dow Jones industrial

average rose 14.05 points to

close at 3,269.23. In the broad

market, advancing issues led

declines 1,127 to 658 on New

York stock exchange volume

trading after two days of large

losses. It had slumped to an

11-year low on Wednesday af-

ter its announcement of dras-

tic job cuts and a probable

David Bostian, chief

IBM rose 1 to 53 in active

streak, reports Reuter.

of 248.6 million shares.

dividend cut.

the planned new deal to libcraftze trade in services. The EC wants to continue limiting the amount of foreign television programs broadcast in Europe. The United States is pressing for the abolition of these quotas.

The EC's Paemen accused Washington of seeking to sabotage parts of the draft agreement that harmed American sectoral interests. Washington opposes existing proposals on patents and copyright and wants to water down provisions for a new international

trade organization. In addition to the areas of political disagreement, there has been slow progress in technical talks on cutting individual import tariffs.

The goal is to cut overall import duties by one third. However, Paemen said the EC had so far proposed cuts averaging only 25 percent because other countries had failed to match its offers.

Bofors scandal Supreme court reverses lower court order

NEW DELHI, Dec 18: India's supreme court reversed Thursday a controversial lower court order ending investigations into the case of alleged bribery in a 1.3 billion dollar field gun deal with the Swedish arms firm Bofors says

The ruling by Judges SR Pandian and K J Reddy cleared the way for the Central Bureau of Investigation (CBI) to resume a probe that analysts had feared would be buried by the Delhi High Court order of September 3.

in a 151-page judgment. Pandian and Reddy said the high court had "Grossly erred" in quashing a January 1990 criminal case filed by the CBI after painstaking investigations into the alleged payoffs by Bofors

Oil prices renew brisk rally on speculation of production cut

LONDON, Dec 18: Oil prices renewed a brisk rally on Thursday on expectations in the world market that OPEC countries are serious about pledges to cut excess production, reports Reuter.

Traders said the latest boost: to prices was speculation on Venezuelan measures to curb supply.

Nigeria earlier pledged to cut output by 10 per cent from January. Traders thought that others among the 12 OPEC states might act soon to support prices which dropped by 15 per cent between mid-October and last week.

Isuzu may

stop passenger

car production

tors Ltd, a major Japanese

truck maker, said it is consid-

ering whether to withdraw

from passenger car produc-

tion, company officials said

chi, however, denied a report

in Mainichi newspaper that

said Isuzu, which is 34.7 per

cent owned by General Motors

Corp of the United States, has

already decided to pull out of

the passenger car business

Corp (NHK) earlier reported a

The Japan Broadcasting

In the year ended October

199 i, the most recent finan-

cial year in which statistics

were available, Isuzu reported

48.3 billion yen (392 million

TOKYO, Dec 18: Japan's

economic slowdown, now

nearly two years old, may have

stopped as the government

maintains, but recovery will be

long and slow, the OECD said

on Wednesday, reports Reuter.

Economic Cooperation and

Development predicted in its

year-end economic outlook

that Japan's gross domestic

product (GDP) would grow 2.3

per cent in 1993, rising to

picture for Japans' economy,

which turned in its second

consecutive GDP decline in the

July-September quarter, pro-

mpting a top economic

planning agency official to de-

clare the nation in a state of

recession.

The figures paint a gloomy

only three per cent in 1994.

The Organisation for

because of poor profits.

similar move by Isuzu.

dollar) in pretax loss.

Spokeswoman Ayako Kiku-

Friday, reports AP

TOKYO, Dec 18: Isuzu Mo-

The New York light crude contract for January rose by 29 cents on the day to 19.67 per dollar barrel. This is about a dollar above last week's ninemonth lows.

Venezuela's Oil Minister. Aliro Parra, said on Wednesday that "we will be in line in December," apparently meaning that his country would be down to a newly-assigned OPEC quota.

A new quota accord by the Organisation of Petroleum **Exporting Countries only takes** legal effect on January 1 but Saudi Arabia, Iran and

the earliest.

Ilata and other economic min-

isters said that quarter was the

bottom of the economic down-

turn here, promising faster

disputes that notion but says

that recovery will be far from

the economic miracle of the

late 1980s, when Japan's

economy grew at an average

4.7 per cent. Economists said

the slowrebound had ramifica-

tions beyond company balance

sheets, hurting trade officials'

ability to tame the nation's

record high trade surplus and

likely to force Japan into

deficit spending for the first

burden for recovery here on

the nation's consumers. It ac-

The OECD report places the

time since 1989.

The OECD report does not

growth in the quarters ahead.

Venezuela were among members to say they would try to implement it from this month.

The Venezuelan quota is 2.36 million barrels daily which is 10,000 to 40,000 below western estimates for its November volume. Traders speculated that

Venezuela might cut slightly below its quota. Iran says it may do that, if others do. But there has been no word yet from the biggest exporter, Saudi Arabia. Prices also remain sup-

ported by latest US data showing a drop in US refinery

SCARCITY OF WATER: Inhabitants of Sarajevo queue for water. The water supply system

has been destroyed by Serb bombardments and is expected to be repaired in three weeks at

belp the economy are playing

but says there is more that the

Agency (EPA) official said the

OECD forecast was a little too

weak, with a major difference

in views on the effects of the

government's earlier economic

derestimate the expected ef-

fects of the 10.7 trillion yen

(86 billion dollar) package but

we are sure the package,

larger than ever, will have sig-

nificant impact on Japan's

sumer-led recovery, the OECD

report says, stem from the

fact that previous engines of

growth such as corporate capi-

Much of the hope for a con-

economy," he said.

"The OECD seems' to un-

An Economic Planning

central bank can do.

Japan's economic recovery will be

long and slow, predicts OECD

throughout. A surplus of heating oil which has weighed on the market, in what has so far been a mild northern winter, might now begin to diminish.

Traders also blamed recent weak prices on high OPEC

A revised Reuter monthly survey of industry assessments on Thursday said OPEC volume in November rose 100,000 barrels daily from October to 25.25 million. Cuts which have been

pleaded so far, if all were implemented, would take more than 500,000 off the market.

- AFP/UNB photo

projected to continue declin-

ing into the first half of 1993

But any hopes that con-

sumers will quickly spend the

economy back into sound

health are misplaced. The re-

port says consumer debt

moved up significantly during

the days of the "bubble".

Economy and have not yet

been restored to comfortable

The EPA officials said the

OECD overvalued the adverse

effects from falling asset prices

in private sector demand, it

said, was residential invest-

ment. Having fallen by nearly

20 per cent in 1991, housing

starts have shown signs of re-

The most positive element

on personal consumption.

as profits remain depressed.

economist at Herzog, Heine, Geduld, said the market was likely to resume its traditional year-end rally now that IBM had stabilised Analysts said encouraging

economic data on weekly jobless claims and the October trade deficit also helped lift stock out of their five-session

Europarliament okays EC's '93 budget

STRASBOURG (France), Dec 18: The European Parliament gave a green light Thursday for the EC's 1993 spending plan, ending weeks of tension that pitted the bloc's rich nations against poor and EC institutions against each others, says AP.

In a 342-1 vote, the European Community assembly approved a last-minute deal it struck in the small hours of Tuesday morning with the British government, which currently holds the EC presi-

Parliament's budget committee had wrestled with Paymaster General John Cope to agree on a budget of 69.06 billion European currency units (86.3 billion dollar) for the coming year. The budget is higher than

that sought by Britain Germany and the Netherlands, which had tried to cut spending in the face of economic slumps at home. They faced stiff opposition

from Greece, Ireland, Portugal and Spain, who had been slated to received a combined 1.56 billion ecu (1.96 billion dollar) worth of development The Europarliament, which

has the final say on the EC's budget, sided with the four and threatened to send the Community into the new year without a spending blueprint if the richer nations refused to fork over the development

'Clinton should raise taxes, cut spending' WASHINGTON, Dec 18

President-elect Clinton's administration should both raise taxes and cut spending, the head of the International Monetary Fund said Thursday, reports AP.

Michael Camdessus, Frenchman, said the US federal deficit should be cut now. even though there is only a hesitant start on economic recovery. Clinton may prefer instead to do some additional spending to speed the recov cry, even if it temporarily increases the deficit. But Camdessus said his ad-

ministration has a great oppor tunity now to set a policy he called essential to growth. "Past experience shows that

the costs of such action are small and temporary, while the benefits are considerable and long lasting," he said in a speech prepared for the National Press Club.



Michal Camdessus

"It has long been our view that the size of the required fiscal adjustment will mean the adoption of both revenue and expenditure measure."

Tax changes should also give incentives to reduce consumption and increase saving and investment, he said.

Israel hails Japan's call for end to Arab boycott

TOKYO, Dec 18: Israel wel comes Japan's call for an end to the Arab boycott of Israeli good and services, but does no expect quick benefits in terms of trade or investment, the head of its central bank said, report Reuter.

"We came here with a medium-term strategy not. with bags for financial needs. We don't expect anything tomorrow, but you must have pregnancy before having a baby, "bank of Israel governor Jacob A Frenckel said.

"So we want to start the process of pregnancy. Seed must be planted now", he said.

Frencket arrived in Tokyo on Monday for a four-day official visit, accompanying foreign minister Shimon Peres. The two are meeting leaders of business and government. Several weeks ago the

Japanese government called

for an end to the Arab boycott,

under which Arab countries blacklist companies which do business with Israel. Japan relies almost com-

pletely on imports for its supply of crude oil, 70 per cent of it for the Middle East.

Many Japanese companies, fearful of losing important Arab markets and oil supplies, have declined to trade with Israel.

India's economic reforms may be delayed but not derailed, say analysts

BOMBAY, Dec 18: India's bold programme of economic reforms will be delayed, but not derailed by the latest polit ical crisis facing the government of Prime Minister PV Narasimha Rao, business analysts said on Wednesday, reports Reuter. "I don't believe the left will

get their pound of flesh," said SK Khanna, managing partner with Andersen Consulting, a subsidiary of Arthur Andersen and Co in India.

Some analysts said there was now a greater chance of a mid-term poll in India that would inject new uncertainties and further delay crucial re-

Narasimha Rao's embattled government on Tuesday dismissed three state governments of the opposition Bharatiya Janata Party (BJP) in the latest fallout from last week's religious riots in which more than 1,100 people died.

The Hindu nationalist BJP had helped the minority Congress government, get sweeping economic reforms through parliament, abandoning four decades of socialism, cutting subsidies and introducing liberalisation of trade and industry.

Bankers and businessmen said the Congress party would now rely more on leftwing groups, including the two communist parties which oppose the reforms, to remain in

tal investment are faltering. knowledges the contribution covery this year. Business fixed investment is Finance Minister Tsutomu that government efforts to Bush predicts an explosion of growth throughout North America

WASHINGTON, Dec 18: President Bush predicted an "explosion of growth" throughout North America as he signed a historic pact Thursday to tear down trade Canadian Prime Minister Brian Mulroney signed the barriers with Mexico and Canada, writes AP.

"By signing the North American Free Trade Agreement, we've committed our-selves to a better future for our children and for generations yet unborn," Bush said at a ceremony at the headquarters of the Organization of American States.

He called it "the first giant step towards fulfillment of a dream"- a free trade zone encompassing the entire Western Hemisphere, including Central and South America and the Caribbean. In Little Rock, Ark, Presi-dent-elect Clinton called

the agreement "an important step toward the economic integration of North American." But he reiterated reservations he had sounded during his campaign, saying it must be coupled with a plan to protect our environment and to prepare our entire workforce to compete in the global economy." Clinton said that three supplemental measures should

be passed by Congress: environmental safeguards, protection of US jobs and "special safeguards for unexpected surges in imports.

"I intend to work . closely with the governments of Mexico and Canada as well as with the leadership in Congress to ensure these important goals are met," he

Mexican President Carlos Salinas de Gortari and 2,000-page accord in ceremonies in their own capitals. The pact still needs to be approved by the legislatures

in all three countries. "The peace and friendship that we've long enjoyed as neighbours will now be strengthened by the explosion of growth and trade let loose by the combined energy of our 360 million citizens trading freely across our borders," said the President, who leaves office in five weeks.

"Because of what we've begun here today, I believe the time will soon come when trade is free from Alaska to Argentina, when every citizen of the America has an opportunity to share in new growth and expanding prosperity," he said.

"I hope and trust that the North American Free Trade area can be extended to Chile and other worthy partners in South America and Central America and the Caribbean," said Bush. "Free trade throughout the Americas is an idea whose time has come." He lauded the success of debt restructuring for Latin

Nicholas Brady. Cheers filled the ornate OAS hall near the White House as Bush singed the document. A dozen dissidents disrupted the signing ceremony in

Ottawa, mockingly unfurling an American flag and denouncing Mulroney as a liar and traitor.

Mulroney told the demonstrators, "You made your case environmental protection. against the free trade agreement in 1988, and the people of Canada democratically spoke, and they said yes to free trade and no to you." The 2,000-page accord aims to eliminate all tariffs in

North America within 15 years. Had Bush been re-elected, aides said he would have pressed for expanding the trade zone to South America, starting with Chile.

It now falls to his successor and Congress, dominated by his Democratic party, to determine the fate of NAFTA. The United States and Canada already are partners in a trade agreement. The pact would add Mexico, effective Jan 1, 1994, creating the world's largest and richest trading bloc, with 364 million consumers and 6.4 trillion

But critics fear a massive drain of US factory work to low-wage, heavily polluted Mexico. Supporters argue it will create greater prosperity on both sides of the border and spawn more jobs than it destroys.

dollar in total trade.

It will be up to the Clinton administration to draft the America under a plan devised by his Treasury Secretary, implementing legislation. Once that is forwarded to Capitol Hill, Congress will have 90 working days to vote the accord up or down under the so-called fast track

system, which permits no amendment. Some Democratic members of Congress want to

impose new taxes on imports from Canada and Mexico to raise funds for worker retraining, job creation and

Sen Max Baucus, D-Mont, who chairs a Senate international trade subcommittee, has proposed a 0.85 per cent tax to raise 1.2 billion dollar a year for such purposes. House Majority Leader Richard Gephardt, D-

Mo., is also advocating a cross-border tax. A coalition of consumer, labour, farm and environmental groups gathered Wednes-day to fire another salvo at the pact, crafted over 14 months by US

Trade Representative Carla Hills and her Canadian and Mexican counterparts, Coalition members argued the agreement will benefit

huge corporations at the expense of American workers, hurt the environment and dilute US laws. "Bush's NAFTA represents the failed policies of a defeated administration," said Jesse Jackson, head of the

Rainbow Coalition. But a study by a Washing-ton research group, the Ins-titute for International Eco-nomics, concluded that the treaty will create 316,000 new jobs in the United

States by 1995, while eliminating 145,000 existing jobs. "Over the long term, the main impact of larger US-Mexican trade will ... (be) higher incomes made possible by greater efficiency," the institute's Jeffrey J Schott told members of Congress earlier this week.

to end probe