

EC holding intensive talks on retaliation against US

BRUSSELS, May 30: European Community diplomats are holding intensive consultations on possible retaliation against US trade sanctions announced on Thursday, EC officials said here Friday, reports AFP.

The commission spokesman acknowledged that the impacts of the sanctions would be very limited. But he added that the US action was unwarranted. Britain and US Trade Representative Mickey Kantor agreed on April 21 that European and US companies should be allowed to compete on an equal footing in contracts for heavy electrical equipment on both sides of the Atlantic.

The last-minute accord averted threatened US sanctions worth about 50 million dollars aimed at the EC because of its protectionist bidding rules on public procurement, which favoured European tenderers.

In the agreement, the EC agreed to drop a rule which gave a three per cent advantage to European bidders, and excluded all equipment, which did not have at least a 50 per cent made in Europe content.

Equal employment law toothless in Japan

TOKYO, May 30: Japan may have an equal employment law but many women still face hurdles finding jobs let alone rising up the corporate ladder, according to a labour ministry survey published today, reports Reuter.

Economic iron curtains falling across Europe

VIENNA, May 30: Four years after the fall of communism in eastern Europe, an economic iron curtain is falling across the continent as Germany and Austria enforce tough new immigration restrictions, reports AFP.

Tens of thousands of clandestine immigrants and asylum-seekers from Romania, Bulgaria, the former Yugoslavia and the old Soviet Union now have practically no more chance of getting to Germany and Austria.

There are additionally between 150,000 and 200,000 temporary refugees from former Yugoslavia in Germany, 60,000 in Hungary, 4,000 in Slovakia, 3,000 in Poland, and about 2,200 in the Czech Republic.

Wijetunga soon to outline Lanka's new economic policy

COLOMBO, May 30: Sri Lankan President Dingiri Banda Wijetunga is expected to outline his one-month-old government's policy on economic and political issues when he briefs foreign donors this week, diplomats said today, reports Reuter.

The government is still new but we would like to get a comprehensive policy statement on which direction it is headed, a western diplomat said.

The meeting on June 2 is a customary get-together called by Sri Lankan officials before the annual Sri Lanka aid consortium meeting held under the auspices of the World Bank.

Twelve countries and five lending agencies are due to meet in Paris on June 18. Wijetunga took over from Ranasinghe Premadasa who was assassinated by a suspected Tamil rebel suicide bomber at a May Day parade in Colombo.

IFC, EC accord to establish equity line for Third World

The International Finance Corporation (IFC) and the EC Commission announced an agreement that establishes a ECU five million (75 million US dollar) equity line to boost investment in small and medium-sized enterprises in developing countries, says an IFC press release.

Fall of govt won't affect Polish reforms: WB

WARSAW, May 30: The collapse of the Polish government on Friday is unfortunate but should not mean a departure from reforms, a World Bank official said, reports Reuter.

"It is unfortunate because this government was moving quite successfully though difficult and achieved a track record which had impacted positively the economy," Ian Hume, the World Bank's representative in Warsaw, told Reuter.

But he said there was no need to panic because the economy was increasingly showing signs of recovery, even in the state sector, and should continue to grow.

UN sanctions creating economic chaos in former Y'slavia

BELGRADE, May 30: UN sanctions seem to be fulfilling their purpose of forcing Serbia's president to pursue peace in Bosnia, but they also have created economic chaos, reports AP.

The United Nations imposed the sanctions May 30, 1992, with the aim of stopping Serbian support for the Bosnian Serb war effort, and tightened them a month ago, on April 26.

On May 6, President Slobodan Milosevic of Serbia said he was halting shipments of arms and fuel to Serbs in Bosnia. He made the announcement after the Bosnian Serbs refused to follow his lead and endorse a peace plan, Milosevic had originally opposed.

Whether Milosevic is keeping the pledge is not clear because he has refused to permit UN monitors on the border with Bosnia, but his tone has definitely changed.

Retail business in Indonesia still off-limits for foreigners

JAKARTA, May 30: Indonesian Minister for Investment Sanyoto Sastrawardoyo reiterated here Friday that the Indonesian government still does not allow foreigners to invest in retail sale business, reports Xinhua.

Inflation in China beginning to show its teeth

HONG KONG, May 30: A top Chinese economist has said inflation in China has forced factories to shut and drained bank funds, a report said Sunday, reports AP.

Yang Pexin, a senior government economist under China's State Council, or Cabinet, told the pro-Beijing Wen Wei Po newspaper that price reforms, a cornerstone of China's economic reforms, should be put on hold this year to control inflation.

With prices rising at current levels, continuing to lift price controls on coal, oil, electricity and other products would only add fuel to the fire, Yang said.

Coffee falls while gold, silver, platinum rise in world commodity market

LONDON, May 30: Coffee prices fell this week on profit-making after the announcement of an agreement among South and Central American countries on plans to cooperate their production, reports AFP.

Brazil, Colombia and the five Central American coffee producing countries which account for 60 per cent of the world's coffee production agreed to freeze their stocks and limit production in a bid to raise prices.

The market, surprised by the move, was sceptical about its effect, given the likelihood that other countries will increase their output to fill the shortfall.

Meanwhile the price of gold rose slightly, helped by a wave of Japanese buying linked to the strength of the yen against the dollar before falling back at the end of the week.

Russia wants new deal with De Beers to sell more stones

MOSCOW, May 30: Russia wants to renegotiate its contract with the De Beers diamond cartel in order to sell more of its stones on the world market, a top official said Friday, reports AP.

EC proposes fossil fuel tax to fight greenhouse gases

BRUSSELS, May 30: The European Community has proposed a tax on fossil fuel use that goes beyond what any other nations have done to try to reduce emissions of greenhouse gases that could lead to global warming, reports AP.

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In Austria at present the government estimates there are 1,00,000 clandestine foreigners. That figure compares with the 6,00,000 foreigners legally resident in Austria, including 65,000 refugees from ex-Yugoslavia.

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However, he said, if foreign investors are willing to establish joint venture enterprises in retail business, they will get permission. Direct investment on this field is not allowed, he added.