

### EC allocates \$13.25 m for Kurds

BRUSSELS, June 25: The European Community has allocated 11.5 million ECUS (13.25 million dollar) to finance humanitarian aid for Kurds in northern Iraq and Shi'ites in southern Iraq, the European Commission said here Thursday, reports AFP.

It said in a statement that there were still many refugees in the two regions, more than two years after the Gulf war in 1991, and that there was a pressing need for emergency medical and food aid.

The commission added that water, sanitary facilities and affordable heating and cooking oil were also scarce in the two regions.

Since the Gulf war, the commission has given 120 million ECUS (138 million dollar) in relief aid for Iraq.

# Market access talks toward GATT deal fail

TOKYO, June 25: Ministerial talks on market access between the United States, Japan, the European Community and Canada broke down here Thursday, placing in jeopardy the successful conclusion of the stalled Uruguay Round, reports AFP.

Despite some progress — or "new determination" as US Trade Representative Mickey Kantor put it — they failed to agree to the framework of an accord as part of the global trade talks under the General Agreement on Tariffs and Trade (GATT).

In a last-ditch effort, they decided to hold a final make-or-break round of talks in Tokyo on July 6 as Group of Seven (G7) leaders gather in the Japanese capital for their three-day summit start in the next day.

The four sides were supposed to have come up with an "ambitious package" to open world markets. But they failed to find common ground on reducing certain tariffs, abolishing non-tariff barriers and services trade.

The main problem was between the Americans and the Europeans, a Japanese negotiator said, highlighting that the two sides which blocked progress in agriculture in the past were now jeopardising the Uruguay Round again.

But added to this was Japan's obstinate refusal to negotiate the opening of its rice market, blocking any possibility of an agreement on agriculture.

"The important thing now is to work out how to manage this looming crisis," said a disillusioned negotiator who

asked not to be named.

The talks got off to a sour start for the Japanese, Europeans and Canadians Wednesday — only hours earlier, Washington announced anti-dumping tariffs on imports of steel from 19 countries. Trade officials in Tokyo, Brussels and Ottawa, which are all affected, strongly denounced the move.

The quadrilateral meeting then plunged into crisis when European Trade Commissioner Sir Leon Brittan withdrew all offers from Brussels in a bid to gain concessions from the other three sides, participants said.

Brittan was nevertheless suggesting that the four parties should try to agree to a more modest package of measures, taking into account past experience and adopting a "simplified and structured approach."

proach."

The four sides had already agreed to abolish tariffs on some products, a source close to the negotiators said. These were construction equipment, pharmaceutical products, medical equipment, beer and steel although the Europeans said abolishing steel tariffs required market regulations.

On the other hand, there was deep discord between the Europeans and the Americans on textiles, electronics and non-ferrous metals.

The simplified approach suggested by Brittan would put all industrial products on a scale with three types of tariff provisions:

— 100 per cent on the highest tariffs (the Americans have around one thousand so-called peak tariffs, 10 times as many as the Europeans).

— 30 per cent in other areas.

The European move, even if supported by Japan and Canada, was far from the position defended by the Americans, especially on textiles and the US tariff structure, putting sceptics on the possible fringe of an agreement.

In the area of trade in services, the Americans, the Europeans and the Japanese seemed to have pursued a dialogue of the deaf.

Washington refused to cede ground on shipping, Brussels refused to move on audio-visual services while Tokyo maintained its position on financial services although the Japanese did offer to open their pension fund market wider.

As for opening markets to agricultural products, an area not covered by the so-called

Blair House Agreement between Brussels and Washington, the Japanese position left no doubt for pessimism. Tokyo refuses to consider the tariffication of rice imports which would signal an end to its closed market.

At a joint news conference after the talks failed, ministers from the four sides insisted that all was not lost.

Brittan asserted "we are well on the road" towards reaching an accord.

"We still have work to do," Kantor said. "The United States is looking for a package on market access in time for the G7."

Canadian Trade Minister Michael Wilson expressed confidence that the four sides would be able to make a "positive contribution" before the G7 summit.

### Bangkok hopes to post 8 pc GDP growth

BANGKOK, June 25: The Thai central bank figures for the first five months of 1993 indicate that Thailand is expected to achieve the projected economic growth of seven to eight per cent this year, says Xinhua.

In the first five months of 1993, the industrial sector swelled by 10.8 per cent, led by the sales of motor vehicles and petroleum products.

The private investment index rose 9.7 per cent, which is considered by Bank of Thailand authorities as a normal range for the projected gross domestic product growth.

Domestic consumption has also accounted for the healthy trends.

### Singh rejects charges of laxity during scam build-up

## I was not a sleeping finance minister

NEW DELHI, June 25: India's Finance Minister Manmohan Singh, the author of far-reaching economic reforms, in an interview with India's Economic Times said, "I was not a sleeping finance minister," and rejected charges he was lax during the build-up to the financial scandal, reports Reuter.

Those who say that I was sleeping while the scam was on should look at the amount of time I spent on the financial sector reform, he was quoted as saying.

But he declined direct connection the draft report by a joint parliamentary committee investigating the 40 billion rupee (1.28 billion dollar) securities fraud, and side-stepped suggestions he should resign.

"I have no lure for office. Let me say I shall cross that

bridge when I reach it," he said.

A draft report by the committee said the Finance Ministry had been slow to act on the securities fraud, which has forced the resignation of the country's Commerce Minister and Attorney General.

Harshad Mehta, the stock broker at the centre of the scandal involving 50 banks and brokerage houses, has alleged that he gave Prime Minister P V Narasimha Rao an illegal political campaign donation of 10 million rupee (320,000 dollar). Rao has denied the accusation.

Singh said the government planned to press ahead with further reform of the country's previously protected and state-managed economy.

Action was needed to improve investment in key areas

such as electric power generation and oil exploration, while the government expected soon to approve the first private banks in 25 years, he said.

Singh, said India expected to finalise a new loan agreement with the International Monetary Fund (IMF) this year.

Despite the improved economic outlook, the country needed a safety net in case the balance of payments deteriorated, he added.

### UK largest investing country in India

Xinhua report says: The investment of US companies accounted for 60 per cent of the total foreign investment approvals in India in the last four years.

Kenneth C Brill, Charge d'Affaires, US Embassy here said in a meeting in south

India city of Madras on Thursday that in fact US is the largest investing country in India, totalling 650 million US dollar as on date.

He expected this to go up to 2-5 billion US dollar in the next few years and a significant chunk of it will be in the power sector.

### Tea export to UK rises

Another report adds: India's tea export to the United Kingdom in between January and March 1993 has increased by 56 per cent over the same period in 1992, according to tea trade sources.

In the first quarter of the current year, the export touched at 5698 metric tons against 3633 metric tons in the same period of 1992, the sources said.

### Cambodia's teacher training programme to get ADB grant

The education sector in Cambodia will be reviewed and further developed with a 1,300,000 dollar technical assistance grant which was approved by the Asian Development Bank, says a press release.

The grant will be financed by the Swedish International Development Authority (SIDA) and administered by the bank. The technical assistance is consistent with the provisions of the Paris Accord and was approved by the Supreme National Council of Cambodia in December 1992.

The technical assistance will address the two most significant issues facing education in Cambodia, that is to establish clear priorities for further development of the sector and improve the teaching force.

The objectives of the technical assistance are to develop an appropriate technology and carry out an analysis of the education sector, and improve the capability of teacher trainers in providing in-service training to primary and lower secondary teachers and trainees. The technical assistance will consist of two parts.

### ADB accepts Pak contribution to technical fund

The Asian Development Bank has accepted an offer of a contribution from Pakistan of 1,610,000 rupee (about 60,000 US dollar) to the Bank Technical Assistance Special Fund (TASF), says a press release.

The Fund is the main source of financing for the bank's technical assistance grants to its developing member countries.

This will be Pakistan's 17th contribution to the TASF.

As with Pakistan's last ten contributions, the latest contribution will be available for procurement from all the bank's developing member countries.

ADB President Kimimasa Tarumizu expressed the bank's appreciation for the contribution in a letter to bank alternate complete with technical, economic and social assessments and full implementation arrangements for a proposed rural infrastructure development project.



Amateur models display clothes made of plastic, recycled from the humanitarian aid to residents of the besieged city during a fashion show in Sarajevo on Thursday. — AFP/UNB photo

## List of countries, regions to get US subsidised wheat

WASHINGTON, June 25: Here is the list of countries and regions that will receive between June 1993 and May 1994, 32 million tonnes of wheat subsidised by the US government, reports AFP.

|                             |                                   |                                  |                            |                            |                       |   |                           |                         |  |                           |                         |                        |                          |                      |                            |                             |                          |                        |                               |                                  |                        |                         |                         |                          |                              |                            |  |                                     |                         |                        |                       |
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| Algeria: 2.3 million tonnes | Bahari and Kuwait: 175,000 tonnes | Baltic countries: 400,000 tonnes | Bangladesh: 500,000 tonnes | China: 5.53 million tonnes | Cyprus: 80,000 tonnes | Eastern Europe (Albania, Bulgaria, Hungary, the Czech Republic and Slovakia): 50,000 tonnes | Egypt: 3.5 million tonnes | Finland: 135,000 tonnes | Commonwealth of Independent States (11 countries) and: | Georgia: 4 million tonnes | Honduras: 45,000 tonnes | Jordan: 500,000 tonnes | Lebanon: 2,00,000 tonnes | Malta: 65,000 tonnes | Mexico: 1.4 million tonnes | Morocco: 2.9 million tonnes | Nicaragua: 85,000 tonnes | Norway: 160,000 tonnes | Pakistan: 1.35 million tonnes | Philippines: 1.65 million tonnes | Poland: 700,000 tonnes | Romania: 700,000 tonnes | Romania: 700,000 tonnes | Slovenia: 200,000 tonnes | South Africa: 600,000 tonnes | Shri Lanka: 550,000 tonnes | Sub-Saharan countries in Africa (29 countries): 2.7 million tonnes | Trinidad and Tobago: 125,000 tonnes | Tunisia: 600,000 tonnes | Turkey: 300,000 tonnes | Yemen: 500,000 tonnes |
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## Mounting political uncertainty puts Nigerian economy on hold

ABUJA, June 25: Mounting uncertainty about Nigeria's transition from military to civilian rule has placed the country's ailing economy on hold, say economic analysts, according to Reuter.

"In the last few weeks there has been a virtual paralysis in the economy because of the political uncertainties," Oladapo Fafowora, a Lagos-based business consultant, told Reuters.

The economy will continue to deteriorate until we are able to put our political house in

order," Fafowora, former head of the Manufacturers Association of Nigeria, added.

Tension has been building in Africa's most populous nation since the electoral commission on Wednesday suspended the results of the June 12 presidential poll. A shadow group seeking extended military rule earlier won a court order restraining the commission from naming the victor.

Initial returns showed Social Democrat tycoon Moshood Abiola well ahead of his rival, banker Bashir Tafa of

the centre-right national republican convention. The freezing of poll results has raised doubts over military leader Ibrahim Babangida's thrice-delayed handover date, now set for August 27.

The ensuing political confusion and concern about possible outbreak of civil unrest in this ethnically and religiously diverse society has affected its prospect of attracting much vital investment, analysts say.

"Anyone who had plans to invest in the economy will naturally want to suspend such

plans until the political situation is clearer," Fafowora said.

Sub-Saharan Africa's biggest economy is beset by many woes including corruption, inflation, a battered currency, crumbling infrastructure, low productivity and high foreign debt.

Future economic relations between Nigeria and its mainly western trade partners and creditors are likely to be influenced by the outcome of the current political crisis, bankers said.

# 18 years after the end of the war, Vietnam sees US as economic saviour

By Sue Wheat

**Vietnam is in the mids of economic transformation. Eighteen years after the end of the war, much of its success at turning itself around will depend on whether the United States lifts its trade embargo. Without US consent, the World Bank and IMF cannot release any funds. As Gemini News Service reports, both the positive and negative effects of foreign investment are already being felt by many Vietnamese.**



The New Vietnam — electrical goods abound.

But amid the signs of heightened economic activity, the Vietnamese people's enduring poverty cannot be avoided. The

was still dangerous for farming.

Since the war, excessive logging by the state has further exacerbated deforestation, and now it is feared increased foreign investment and industrialisation will add to pollution and environmental exploitation. With foreign investors allowed to hold 100 per cent ownership of companies and the legal system still in embryonic form, environmental laws which companies must abide by in their own countries could easily be flouted.

Education and health are also areas of concern. One of Vietnam's greatest strengths is a well-educated population. However, since *doi mot*, state funding of public services has been removed and the numbers of children attending school is falling dramatically.

Vietnam could soon face the same problems as many other newly industrialised countries — local people being relegated to menial, low-paying jobs while overseas managers and a small elite group of nationals take the well-paying jobs. Sweatshops in foreign-owned factories are already common and the cost of labour is among the cheapest in Asia.

The government abolished the minimum wage in 1991 as an incentive for foreign investment and in an attempt to encourage the US to lift the trade embargo. While unemployment is around 30 per cent, the people have little choice but to accept any work they can, no matter what the pay or conditions.

Nguyen Minh Cuong, project officer at Oxfam's Haanoi office, explains: "For the last 50 years, although people were poor, they were fairly equal. Now no one can comprehend the problems of unequal development that will accompany economic liberalisation, with the poor getting poorer and the rich getting richer. No one believes that will happen."

With or without the US, the race is now on for foreign investors and Vietnam is eagerly embracing the free-market system. When the US does decide to lift the trade embargo, as it surely will, the surge in foreign investment will undoubtedly give rise to another Asian tiger.

At the moment, Vietnam's faith in the international community to raise the country out of poverty and put it on the road to prosperity seems unwavering. — Gemini News

Sue Wheat is a freelance writer based in London, specialising in development and environmental issues in South East Asia.