

Paris presses EC partners to reopen trade deal with US

BRUSSELS, Sept 20: The future of global trade talks and the unity of the European Community hang in the balance Monday, when EC ministers debate French demands for reopening a farm trade deal with the United States, reports AP.

French Prime Minister Edouard Balladur increased pressure on France's EC partners over the weekend, with a renewed threat to veto the trade accord struck last November in Washington.

"We will not accept the so-called Blair House accord as it stands," Balladur said in a speech Saturday. He added that France will evoke its veto right if anyone tried to "impose on France an accord contrary to its interests."

Farm, trade and foreign affairs ministers from the 12 EC nations will meet here Monday

at French request to discuss the long-fought trade deal which France says will unduly harm European agriculture.

The United States, and some EC nations, warn that if the transatlantic farm deal unravels, it could ruin years of negotiations between 116 nations to overhaul the world trading system.

EC officials are expected to seek a compromise that accommodates French demands without accepting a formal reopening of trade talks with the United States.

Many fear that if Paris is isolated and vetoes the farm deal in an EC vote, it could seriously harm unity within the Community. No vote is expected at Monday's meeting.

The Blair House accord is meant to be the base for an overall farm agreement within

the 116-nation Uruguay Round open new markets for goods, services and farm produce, pumping an estimated \$10 trillion into the world economy over the next decade.

GATT Director-General Peter Sutherland has set a Dec. 15 deadline for completing the negotiations, which have been deadlocked for several years by EC-US farm disputes.

The Blair House deal was hailed as breaking that deadlock. Under its terms, the community pledged to trim the volume of its subsidized farm exports by 21 per cent over six years — much less than the United States had demanded.

But France argues the reductions would cut too much into the earnings of its 1 million farmers, a powerful constituency that on Wednesday disrupted road and rail traffic

around Paris to keep up pressure on the government.

France's hard line has earned support within the EC.

Spain and Ireland have expressed their own doubts about the accord and other EC nations have said they would not isolate France.

On Wednesday, the EC's top agriculture official appealed to Washington to accept some fine-tuning in the agreement.

Rene Steichen, farm chief of the community's executive commission, emphasized he was not calling for the bargaining to be reopened. But he said the Americans should be willing to accept a "refinement."

German Chancellor Helmut Kohl is expected to discuss the trade dispute with French President Francois Mitterrand in Paris on Monday.

BFA meet held

Bangladesh Fertilizer Association (BFA) organised a day-long promoters meeting at the International Fertilizer Development Centre (IFDC) on Sunday, reports UNB.

Over 200 members of fertilizer manufacturers, importers, exporters, fertilizer supplier's representatives and fertilizer distributors and merchants from all over country attended the meeting.

John H Allgood, Chief of Party, IFCD welcomed the delegates and explained them the objectives of BFA.

Addressed among others were Nizam U Ahmed of USAID, Dhaka, A Samad, Sea Resources Ltd., Dhaka, Azzul Haque, Director of Finance, BCID and Motiur Rahman, Deputy Secretary, Ministry of Agriculture.

The vote of thanks were given by Kevin J Mullaly, Director, OFA, USAID and T. Alan Nix, short-term consultant, IFCD, Dhaka.

Indian farmers end sit-in

NEW DELHI, Sept 20: More than 30,000 Indian farmers ended a three-day sit-in in Delhi on Sunday, claiming the government had agreed to demands including rejection of GATT trade proposals, local news agencies said, reports Reuters.

But a senior official denied the government made any commitment on the GATT (General Agreement on Tariffs and Trade) issue.

The farmers dispersed peacefully after camping in front of Delhi's 17th century Red Fort since Friday in a protest organised by the Bharatiya Kisan Union (BKA, Indian farmers' union).

The Press Trust of India (PTI) quoted BKA leader Mahendra Singh Tikta as saying the government had accepted most of their demands, including an undertaking not to sign the Dunkel's draft of GATT currently under negotiation.

Indian farmers have attacked one aspect of the proposals by former GATT Director General Arthur Dunkel, on patenting of seeds and plant breeding.

They fear they will no longer be able to replant their own seeds and will have to pay more for new ones.

PTI quoted Tikta as saying Prime Minister PV Narasimha Rao had also agreed to write off farmers' loans up to 10,000 rupee (320 dollars), increase farm-gate prices for sugarcane and raise fertilizer subsidies.

Asian stock markets close mostly lower

HONG KONG, Sept 20: Asian stock markets closed mostly lower Monday with share prices falling in Tokyo for the fourth consecutive session, reports AP.

Tokyo's 225-issue Nikkei Stock Average fell 125.01 points, or 0.61 per cent closing at 20,266.08. On Friday, it had shed 111.11 points, or 0.54 per cent, to 20,391.04.

The Tokyo Stock Price Index of all issues listed on the first section was down 12.44 points or 0.75 per cent, to 1,638.90.

On Friday, it had slipped 5.75 points, or 0.34 per cent, to 1,651.34.

Traders said companies were selling shares in connection with the end of the first half of the fiscal year on Sept. 30.

In Hong Kong, share prices also fell in moderate trading.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 27.51 points, or 0.3 per cent, closing at 9,379.93.

SYDNEY: Australian share prices closed lower after a day of quiet trading as investors waited for fresh news to give the market direction. The All-Ordinaries index fell 1.4 points to 1,924.1.

MANILA: Share prices ended lower in light trading on profit-taking into Hong Kong's Allied Group Ltd has uncovered evi-

dence that company executives sidestepped shareholder-protection rules and disguised share price.

SEOUl: Share prices closed higher following a meeting between President Kim Young-sam and Chung Se-young, chairman of the conglomerate Hyundai Group, to discuss cooperation to boost the country's flagging economy. The Korea Composite Stock Price Index rose 9.18 points to 695.12.

SINGAPORE: Share prices closed lower on broad consolidation. The 30-stock Straits Times Industrial Index fell 25.59 points to 3,927.81.

WELLINGTON: New Zealand share prices closed slightly lower in light trading after a few blue chips drifted lower for lack of support. The NZSE-40 Capital Index fell 7.30 points to 10,010 points to 1,998.37.

KUALA LUMPUR: Malaysian share prices closed lower in active trading because of continued profit-taking. The exchange's composite index fell 3.14 points to 816.46.

BANGKOK: Thai share prices ended lower in moderate trading. The Stock Exchange of Thailand index fell 1.21 points to 997.01.

JAKARTA: The stock exchange's Composite Index rose 1.133 points, closing at 431.490.

Jordan unveils \$7.65b development plan

AMMAN, Sept 20: Jordan has unveiled an ambitious \$7.65 billion dollar five-year economic development plan that calls for high levels of private investment, Jordanian newspapers reported Sunday, reports AP.

The paper quoted Planning Minister Ziad Fariz as saying the plan lays out areas where the private sector can get involved in projects previously monopolised by the government.

Fariz was not available for comment.

Under the plan, the government aims to spend 2.68 billion dollar on infrastructure projects in education, health services, roads, energy and water. Other projects are proposed for private investors.

It also aims to reduce the budget deficit to three per cent of gross domestic product by 1997, compared with about 15 per cent, and the halve the kingdom's 6.5 billion dollar in foreign debt.

The senior official said the Fund wanted to act as quickly as possible but needed to closely monitor the Russian government's capacity to apply the required measures in light of the difficulties of moving toward a market economy.

He said Russia's programme temporarily went off track after a good start, but that now Russian authorities "resolve is strengthened."

Russia sticks to reform programme

WASHINGTON, Sept 20: Russia has indicated to the International Monetary Fund that it is sticking to its reform programme, a high-ranking IMF official said, reports AP.

The official said he hoped the IMF could award the second part of the Fund's new Systemic Transformation Facility (STF) to Russia, which already received 1.5 billion dollar in July.

"We'll do everything to avoid a disruption (but) it's a little bit artificial to say at the end of the month or the end of the year," he added.

In July, IMF Director Michel Camdessus had set the end of the year as reasonable target date for disbursing the second portion of the loan to Russia.

The senior official said the Fund wanted to act as quickly as possible but needed to closely monitor the Russian government's capacity to apply the required measures in light of the difficulties of moving toward a market economy.

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The incentives include tax

Most Asian units gain ground on Greenback over week

HONG KONG, Sept 20: The US dollar fell against the yen as Japanese central bank officials ruled out immediate discount rate cuts amid speculation the United States would press for a stronger yen to cut Japan's trade surplus, reports AFP.

The Australian dollar finished higher on the week, but with the reserve bank's Trade-Weighted Index (TWI) closing lower, as most Asian currencies gained ground on the US unit.

Japanese yen: The Japanese currency gained ground on the Tokyo foreign exchange market to close at 104.53 yen to the dollar this week, from the 105.63 yen finish a week ago.

After opening at 106.00 yen on Monday, the Japanese currency was sold on growing expectations that the Bank of Japan would slash the official discount rate.

But investors bought back the yen as central bank officials ruled out immediate rate cuts, dealers said.

Dealers also said the dollar's selling pressure had grown on speculation that the United States, disappointed at Japan's

economic package, would renew its call for a stronger yen in a bid to trim Tokyo's swollen trade surplus.

The Japanese government announced Thursday an emergency package that included 94 steps to deregulate the economy and measures to pass on the benefits of the yen's rise to Japanese consumers.

But Prime Minister Morihiro Hosokawa failed to incorporate large-scale income tax cuts, which businessmen regarded as a necessary step to revive the economy, in the 6.2 trillion yen (59 billion dollar) package.

The Bank of Japan sporadically intervened in the market during the week to prevent the yen's sharp appreciation, but the impact of the interventions was not effective enough to keep the dollar above the 105 yen level, dealers said.

Australian dollar: The battered Australian dollar finished easier at 64.80 US cent but above its six-year low earlier in the week after a well-executed market play by a major Japanese institutional investor.

On Tuesday Meiji life wiped

more than a US cent off the

shaky local currency to 64.30 US cent in a 500 million dollar buy-sell manoeuvre capitalising on the dollar's vulnerability from depressed commodity prices and political uncertainty surrounding the budget.

The dollar pulled up to 64.97 US cent at close of business on Thursday, before dropping back on Friday for a net weekly loss of 0.72 US cent from last week's close of 65.52 US cent.

The reserve bank's Trade-Weighted Index (TWI) closed at 47.4 points, down from last week's close of 48.0. The TWI touched a record low of 47.3 last week.

Analyst say that the continuing weakness in commodity prices and the ongoing uncertainty surrounding the budget will mean that the currency is likely to remain vulnerable to further falls and swings in sentiment.

Dealers said the US dollar was generally bearish this week. It hit a low of 1.5840 mid-week.

Malaysia ringgit: The ringgit fell 35 points to close the week lower against the US dollar at 2.5473 from 2.5438 previously.

The local unit ended at 67.72 yen from last week's close of 69.20.

New Zealand dollar: The New Zealand dollar closed Friday at 54.90 US cent compared with its close last Friday

at 55.33.

The Kiwi had maintained its level at above 55 cent until Friday, when it eased back.

"What we have seen is a long overdue correction in the Kiwi," one dealer said. "It had been threatening to ease back all week and by the end of the day people simply didn't want to go home with long positions."

The dealer said he expected a trading range of between 54.40 and 55.25 in the near future.

The Kiwi has been getting a bit uppish but the fundamentals still point to a strong currency.

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