

No breakthrough in efforts to resolve US-Japan trade row

WASHINGTON, July 30: Negotiators from the United States and Japan reported no breakthrough Friday in efforts to resolve a bitter fight over lowering Japanese trade barriers with US officials insisting that they will not extend a Sunday night deadline, reports AP.

Japanese Deputy Foreign Minister Sadayuki Hayashi met with Deputy US Trade Representative Charlene Barshefsky for more than three hours Friday in an effort to resolve the dispute. It involves American demands that Japan lower barriers faced by US and other foreign companies seeking to make government sales in the areas of medical equipment and telecommunications.

Hayashi refused to answer reporters questions about whether any progress had been made but other officials said that the talks were expected to continue through the weekend.

In another trade dispute involving Canadian wheat, officials also reported no final agreement although negotiators said they were making some headway Friday in nar-

rowing differences.

The wheat issue involves complaints by American farmers that unfairly subsidised Canadian wheat — primarily durum wheat used in pasta — are robbing them of millions of dollars of sales annually.

Kantor has said that unless Canada agrees to limit wheat shipments by Aug 1, he will forward to President Clinton recommended trade sanctions against Canada.

For its part, Canada has vowed to retaliate with its own punitive tariffs against US agriculture goods such as tomatoes, oranges and wine.

The US-Japan talks on medical products and telecommunications effort are part of the year-long effort to lower Japan's trade barriers as a way of reducing the huge 59 billion dollars trade gap between the two countries.

Before Friday's negotiating session, Barshefsky told reporters that only "minimal progress" had been made in lengthy meetings she had held last weekend with Japanese negotiators in Hong Kong.

If the disputes isn't resolved by Sunday night, the

administration has said it will begin a process that could lead ultimately to trade sanctions against Japan. However, before that occurred there would be a further 60-day negotiating period to give both sides time to resolve the issue.

Still, the fact that United States had started the clock running to possible sanctions would be seen as a further setback in the stormy trade relations between the two nations.

Japanese Finance Minister Masayoshi Takemura said Friday in Tokyo that the government of new Prime Minister Tomiichi Murayama was intent on reaching an agreement. But he said Japan would not soften its resistance to what it calls "numerical targets" to measure progress in opening markets.

But the US side, backed up by American businesses, have insisted that they need specific benchmarks to measure whether the Japanese are living up to their commitments.

Currently, the US share of Japan's government telecommunications market, with an estimated 10 billion dollars a year in sales, is close to zero.

Medical-equipment manufacturers have done better with about 20 per cent of sales to Japanese government agencies. However, the US industry says this compares to 40 per cent of sales in Europe.

The Japanese talks are part of the so-called "framework" agreement reached in July 1993. Tokyo agreed to complete market-opening deals in telecommunications, medical equipment, insurance and autos and auto parts by last February.

However, a summit between President Clinton and then Prime Minister Morihiro Hosokawa collapsed over the issue of numerical targets.

The talks were in limbo for three months before both sides agreed in May to resume negotiations after the United States agreed it wouldn't seek "numerical targets" but would still seek quantitative and qualitative indicators of progress.

For its part, Japan pledged to seek "significant" and "substantial" increase in its purchases of foreign goods. Both sides are now arguing over how to translate that language into actual agreements.



The international consumer products fair for individual home and lifestyles, Ambiente, met again in Frankfurt in 1994. Over 4800 exhibitors from some 70 countries took part in the mammoth show-window of consumer items. Prominent among them was Bangladesh. Seen here is the frontal view of the International Frankfurt Fair Ambiente. — IN photo.

Basic articles in Sarajevo expensive

SARAJEVO, July 30: Safija roamed one of Sarajevo markets looking for oil and sugar. Armed with two huge bags, she stopped by the table filled with oil cans and with a sigh paid 40 German marks for fifteen litres, reports AFP.

She is one of many Sarajevo women who will be setting out early in the morning to buy basic food items. "The Bosnian Serbs have closed their side of the road out of the city across the airport. It's extremely expensive," she commented on the price. "The traders are abusing the fact that the road is closed."

A litre of oil cost two marks on Tuesday, but on Wednesday, after the Serbs closed the road, it was already 2.5 or three marks.

"I got scared with yesterday's news. I am trying to find flour but there isn't any in the whole city," she said. Sarajevo markets were still full Wednesday, but prices of the basic and most wanted articles increased.

The price of sugar increased from one mark to 2.5 marks, a kilogram of coffee beans went from 17 to 30 marks. Flour was impossible to find.

Cigarette and alcohol prices remained unchanged, probably because "there's plenty of it," said Sinan Nahtanovic, a trader in one of the city's markets.

He complained that nobody is buying the chocolates he sells, and that "everybody's asking for flour."

The state bread factory could not produce enough bread Tuesday and Wednesday because the stocks of flour have diminished rapidly since the suspension of relief flights last week after UN planes landing at Sarajevo airport came under fire.

Turkish PM vows to sell-off \$1b in state-owned cos

PARIS, July 30: Turkish Prime Minister Tansu Ciller has promised to sell off at least 1 billion dollar in state-owned companies this year despite a recent Turkish court decision slowing her privatization plans, reports AP.

Ciller, a US-educated economist, insisted she hasn't "given up" the stated goal of \$2.5 billion, which "we were going to attain," before the court decision, she said.

But "a minimum of 23 trillion TL (Turkish Lira), which is about 1 billion dollars, is a target that we cannot go below. That is the basic, basis minimum until the end of the year. That will be achieved no matter what," she emphasized.

Among the companies in line for sale, Ciller said, are the Turkish telecommunications operator, petroleum refineries, and the state service station network, Petrol Ofisi.

Privatization has been a key component of Ciller's economic reform programme since she came to office in June 1993, but has proceeded at a frustratingly slow pace, blocked by political opposition and court challenges.

Recently, the constitutional court overturned a privatization law allowing the use of government decrees to expedite the programme.

Ciller was in Paris for talks with French Prime Minister Edouard Balladur on Turkey's candidacy for European Union (EU) membership, the customs union to precede it from 1995, and the conflict with Kurdish separatists.

A stringent economic reform scheme, which she called "the last realignment of the economy" before customs union, helped paved the way for a \$730 million International Monetary Fund standing agreement and has started to show positive effects on inflation, the budget deficit, and foreign reserves.

But economists and market operators in Turkey say they are still concerned the structural flaws in the economy aren't really being tackled.

The state borrowing requirement reached 17 per cent of the gross national product (GNP) in 1993. The Ciller government's goal is to reduce the central budget deficit to 3.6 per cent of GNP in 1994, from 9.8 per cent of GNP in 1993.

Ciller said she is "determined, optimistic," about the success of her economic programme, which has sharply curtailed growth, along with inflation. Finansbank, the Turkish investment bank, "conservatively" expects zero or negative growth for 1994.

Turkey has had a privatization programme on the books for about a decade. But with the delays, it is now competing for capital with other privatizing nations. Concern over Turkey's economic prospects put the brakes on last year's bull market at the Istanbul Stock Exchange.

Japanese business confidence reaches four-year high

TOKYO, July 30: Japanese business confidence is at its highest level in more than four years with most companies expecting an economic upturn in the December quarter, the Economic Planning Agency said yesterday, reports AFP.

The agency said its business survey index, based on a survey of 4,537 companies, was 21 points for the three months to December compared with minus four points for both the June quarter and the March quarter.

The latest index, measuring the number of companies with a positive outlook minus those with a negative outlook, was the highest in 17 quarters.

"Company managers are still cautious about the prospects of the domestic economy but hopes for a recovery are emerging," an agency official said.

But the survey, carried out in June, indicated further declines in capital spending with planned investments in the six months to December falling 6.5 per cent from the six months to June.

Spending by manufacturers is expected to fall 3.1 per cent and investment by non-manufacturers is forecast to decline, 7.7 per cent. Manufacturers of machinery and electrical equipment expected to spend more but car-makers, steel-makers and non-ferrous metal manufacturers expected to spend less.

In the September quarter alone, capital spending is expected to fall by 2.8 per cent from the June quarter when spending declined by an estimated 4.4 per cent. Further cuts of 3.2 per cent are seen in the December quarter, bringing the decline from the year to 2.8 per cent compared with 10.2 per cent last year.

China firms up bid to join GATT

GENEVA, July 30: China firmed up Friday its bid to join the GATT world trade body, arguing in talks here that recent "major economic reforms" should qualify it for membership, reports AFP.

The Deputy Minister for Foreign Trade, Long Yongtu, said China wanted to "enter the final phase of talks in September," after thundering earlier in the week at "unacceptable" conditions.

"Without China's participation, the universality of the World Trade Organisation (replacing GATT) will be impaired and the multilateral trading system is incomplete," said Long.

On Wednesday Long complained that the United States was blocking it by insisting China be given the status of a developed nation, and on Thursday he argued that China would not seek membership "at any cost," arguing for special dispensations on its balance of payments.

China had initially joined the first post-war international trade body in 1945 but left in 1949 after Mao's communists won the war against the Chinese nationalists.

UNGA okays seabed mining provision amendment

UNITED NATIONS, July 30: The General Assembly overwhelmingly approved an amendment yesterday amending the seabed mining provisions of the UN Law of the Sea Convention, clearing the way after nearly 12 years for most industrialised countries to adhere to that historic accord, reports Reuter.

The vote in the 184-member assembly on a resolution containing the modifying agreement was 121 to zero, with seven abstentions, cast by Colombia, Nicaragua, Panama, Peru, Russia, Thailand and Venezuela. A total of 56 delegations were either absent or did not vote.

The Law of the Sea Convention, opened for signature in December 1982 after nine years of negotiations, deals with virtually all uses of the world's oceans and their resources, including fish and minerals.

One of the longest and most complex treaties in diplomatic history, affecting 70 per cent of the earth's surface, it has so far been signed by 159 countries. It is due to enter into force November 16, one year after being ratified by the required 60 signatories.

But the major industrialised countries, led by United States, while approving most parts of the convention, have not so far ratified — and in some cases even signed — it.

They regarded arrangements contained in part XI of the document, regulating mining of ore-bearing rocks on the ocean floor, as cumbersome, restrictive and inimical to private enterprise.

The convention, declaring the seabed and its resources beyond the limits of national jurisdiction to be the "common heritage of mankind," was negotiated during an era when confrontation between Third World and developed countries was more pronounced than in recent years.

When the convention was completed, seabed mining for manganese rocks or nodules, mainly in the Pacific, was thought to be only a decade or so away and a potential source of riches in which developing countries would share. Such operations on a commercial scale are now considered unlikely for another 15 or more years.

In 1990 then Secretary-General Javier Perez de Cuellar launched negotiations aimed at removing obstacles which prevented industrialised countries from adhering to the convention.

These talks, which ended in June this year, resulted in the agreement now approved by the General Assembly modifying the seabed mining provisions.

The agreement reaffirms that the deep seabed and its resources are "the common heritage of mankind" and retains a UN-based licensing system for deep ocean mining.

It also makes provision for assistance to developing land-based producers of minerals whose economies may be affected as a result of deep seabed mining.

War-hit Yemen needs \$25m emergency aid

SANAA, July 30: Yemen needs up to 25 million dollars in emergency humanitarian aid for some 375,000 victims of the two-month civil war, a senior UN official said here Friday, reports AFP.

Robert Souria said the United Nations would launch an international appeal next week to obtain the necessary funds. He arrived in Yemen with a UN team on July 21 on a mission to assess Yemen's post-war humanitarian needs.

"Between 20 and 25 million dollars are needed to satisfy the immediate needs of the population, especially in the southern provinces," which were worst hit in the fighting, said Souria.

The UN officials were struck by the scale of damage to health, water, food and education resources, Souria said.

Much of it was caused by a wave of looting which swept through the southern port city of Aden after northern forces loyal to President Ali Abdallah Saleh captured it on July 7.

In southern Yemen hospitals, pillaged of their stocks of medicines, at least 57 people died of heavy diarrhoea, Souria said, quoting doctors' reports.

On Sunday the International Committee of the Red Cross (ICRC) said more than 10 people had died in a cholera epidemic in Aden, but Souria said the existence of cholera still had not been proven by laboratory tests.

Many cases of malnutrition among children had been recorded in the South, he said, and food needs were estimated at some four million dollars.

Souria said the UN, which recently allocated 2.65 million dollars in aid to Yemen, would send 30 tonnes of supplies to the south Saturday.

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Dollar stable against mark, yen in NY

NEW YORK, July 30: The dollar was stable against the German mark and Japanese yen Friday in active trading after release of new figures putting second-quarter economic growth at an annualised 3.7 per cent, reports AFP.

One dealer for a major European bank said that the growth in gross domestic product had no impact on foreign-exchange markets and "movement of the dollar is limited."

He said the markets were looking more at the resumption of trade talks Friday between Japan and the United States, with negotiators racing a Sunday deadline to avert a process that could lead to US sanctions.

Gold was traded at 383.50 dollars an ounce, down 1.30 dollars from its close on Thursday.

By mid-morning the dollar was at 1.5910 German marks, compared to 1.5915 the previous day. The greenback was unchanged at 100.15.

The dealer forecast that the dollar would hold at the all-important level of 100 yen barring any surprises.

The US unit was uneven against other European currencies. It was traded at 5.4349 French francs against 5.4330 Thursday evening, 1.3479 Swiss francs against 1.3500 and 0.6508 pound sterling against 0.6549.

Pretoria's re-entry into int'l community may weaken SADC

For the countries of southern Africa, the end of white minority rule in South Africa and the integration of South Africa into the world economy may herald a new era of dependence.

Analysts say prospects for regional economic cooperation among the ten countries that form the Southern African Development Community (SADC) have weakened following Pretoria's rehabilitation in the international economic community.

Says Jones Dube, an expert on southern Africa: "Doors are now wide open for an influx of South African finished goods in these countries."

A University of Zambia professor says majority rule in South Africa has created a situation in which SADC states will "look at South Africa more as a saviour than a partner in development."

He was reacting to newly appointed South African representative in Zambia, Japhet Ndhlovu, who even before Nelson Mandela was inaugurated first black president had announced that his country would give Zambia coal.

Ndhlovu made the pledge at a May 7 ANC function in Lusaka to celebrate its victory. "ANC is now the government in South Africa. It will do everything possible to see that Zambia receives coal to avoid the cutting of trees for charcoal which is causing deforestation," he said.

Analysts say contrary to

Venacious Mwansa writes from Lusaka

been created in which southern African states will love to benefit from the South African market in the same way Botswana, Lesotho, Swaziland and Namibia have under trade terms of the Southern African Customs Union (SACU).

Others would follow in the footsteps of Zimbabwe which, under a preferential trade agreement with South Africa,

The ten SADC countries

Southern African Development Community is a successor organisation to Southern African Development Co-ordinating Conference (SADCC) founded 1980 to harmonise economic development among countries in Southern Africa and reduce dependence on South Africa.

'Master Sun's Art of War' sells at \$600,000 in Singapore

HANGZHOU, July 30: A 80-page folding screen carrying jade-inlaid illustrations of the renowned Chinese strategic book, "Master Sun's Art of War," was recently sold for 600,000 US dollars in Singapore, reports Xinhua.

A foreign businessman, whose name has not been revealed but who reportedly has a great love for oriental art, bought the work at auction.

Written about 2,500 years ago by Sun Wu, one of the earliest and greatest Chinese strategists, the influence of "Master Sun's Art of War" has expanded from China to around the world and from war to almost every aspect of social life. It is now especially appealing to entrepreneurs who wish to win in the fierce market competition.

The screen has been designed by Lan Ren, a noted carving artist and made in the arts and crafts workshop named after him in Xianju county, in East China's Zhejiang province.

The craftsman has chosen ten typical war stories from the book and illustrated them in colourful jade blocks inlaid on 80 wooden screens totalling 70.4 metres in length.

The backs of the screens are carved with the whole text of the book, about 7,600 Chinese characters.

advice these countries to draw closer to South Africa. The 1978 patterns in which pressure by the International Monetary Fund played a part in Zambia's decision to re-open the "southern route" and intensify trade with South Africa is likely to be repeated.

Previously state participation in industry in countries like Zambia tended to limit the role of South African corporate power.

Today's move towards market economy characterised by sale of state-owned companies, is effectively enhancing the role played by foreign, South African-oriented capital, mainly in areas of mining, manufacturing and agricultural industries.

Already the Mandela government has signalled that South Africa has a solid economic infrastructure and does not need to go round the world with a bowl in hand.

Trevor Manuel, Trade and Industry Minister, was recently quoted telling a Group of Seven delegation that although his country needed help to reform, it was not a "basket case."

"We have not come here to present South Africa as a basket case. It is about overall assistance for the repositioning of South Africa in the global economy," he said. — Gemini News

(The Author is a Zambian freelance journalist.)