

# US softens stance on China's bid to enter GATT: Brittan

HONG KONG, Nov 10: In an apparent change of stance, the United States is ready to allow China back into the world's largest trade body before it meets all the body's membership rules, the European trade commissioner said Thursday, reports AP.

Sir Leon Brittan said US officials recognised the need to allow China breathing space after it rejoins the General Agreement on Tariffs and Trade to reform its economy in line with GATT requirements.

Previously, US officials have rejected China's arguments that, as a developing nation, it cannot immediately meet all of GATT's requirements. This has created a major obstacle to China's bid to re-enter the trade body that it left in 1950.

At a news conference, Brittan said, "We have helped to persuade the United States that it is unrealistic and unreasonable to expect China to do everything right at the outset."

"The concept of a transitional period is one which I think, to be fair, the United States has come to accept," he added.

Brittan did not specify how long the transition period could last. But when it ends, "China will have reached a po-

sition intermediate between a developing country and a developed country," he said.

But Brittan also cautioned that China needs to meet some basic obligations before it rejoins. Specifically, China must guarantee to liberalise its economy and open its market wider to food, goods and services from abroad, he said. He added that the European Union also wants China to make its currency fully convertible.

"China should agree to what are the essentials from the outset and agree to a transitional period during which China will gradually accept the rest of the obligations," he said.

China is anxious to re-enter GATT in time to qualify as a founding member of the more powerful World Trade Organisation, which is to replace GATT next year.

Brittan was in Hong Kong after visiting Shanghai and Beijing, where he conferred with Chinese Minister of Foreign Trade Wu Yi and considered new Chinese proposals for GATT membership.

Wu indicated that China was ready to be flexible, Brittan said without elaborating.

He said he told Wu where China needs to make progress

and warned that "the window of opportunity for Chinese founder membership of WTO will not remain open forever."

Brittan did not specify how long China has left. But he said China could qualify as a founding WTO member even after the body's scheduled launch date on January 1.

In an earlier speech, Brittan sought to dispel anger in Asia that Europe is keeping out cheap Asian goods with quotas and other measures, including recent limits imposed on toy and other imports from China.

Brittan said Asian imports into Europe were increasing and that the number of European trade restrictions were decreasing.

"I find wholly nonsensical allegations sometimes heard in this part of the world that Europe fears Asia-Pacific growth and economic integration. We do not," he said.

Brittan said Europe wanted stronger political ties with Asia, including talks with the Asia Pacific Economic Cooperation forum, to improve trade between the two regions.

"Top-level political discussions are long overdue between Europe and Asia," he said.

# Merrill Lynch sees higher economic growth in India

SINGAPORE, Nov 10: Faster industrial growth should help boost Indian economic growth to 5.5 per cent in the year to next March 31 and almost six per cent in 1995/96, brokerage Merrill Lynch said on Wednesday, reports Reuter.

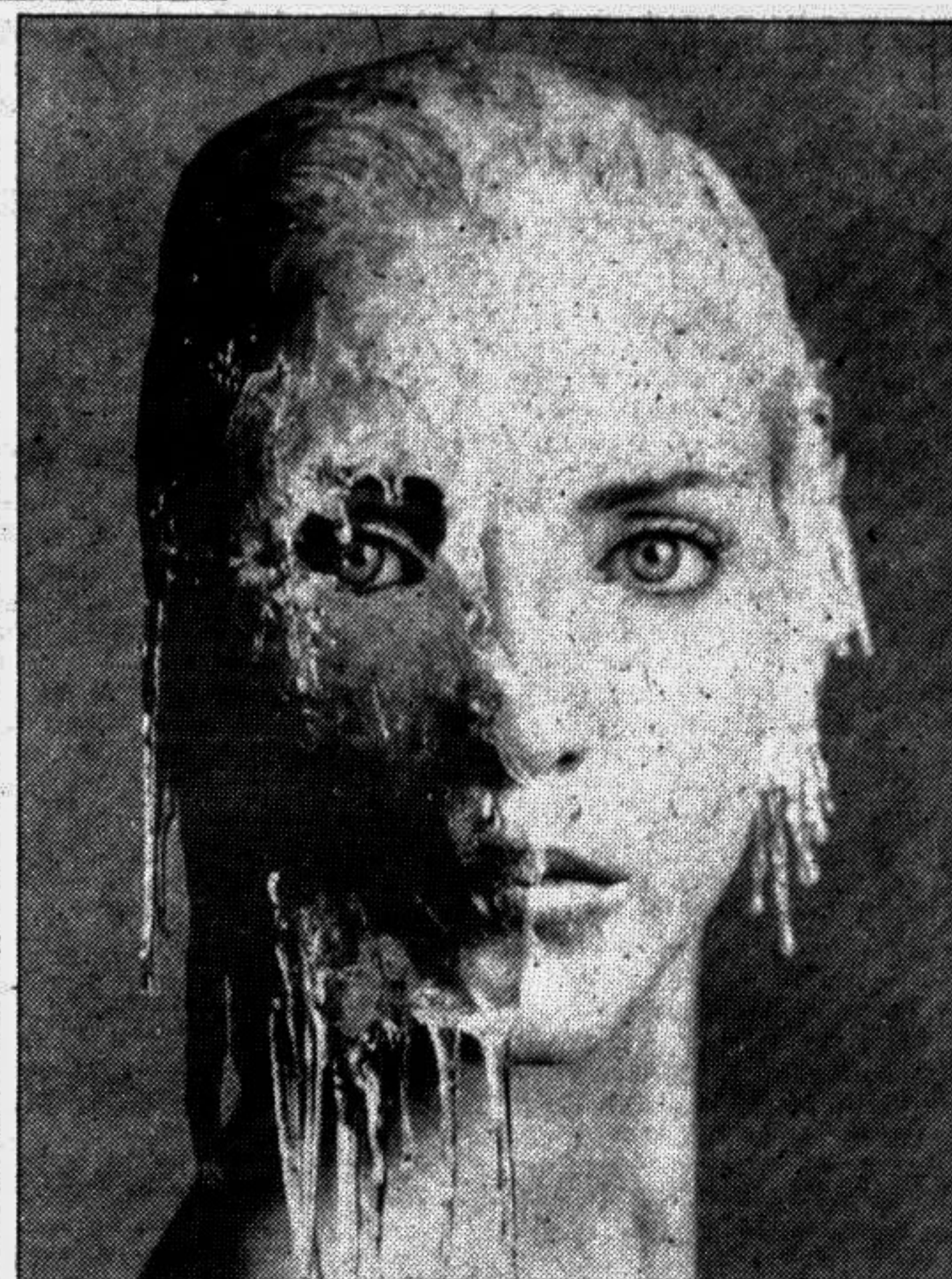
The economy, which has been opening up for the past three years under a programme of radical reforms, grew by 4.3 per cent in 1993/94.

"Prospects for the Indian economy continue to look good," Merrill Lynch said in its latest Asian economic commentary.

It cited as encouraging a recent pick up in industrial production after three years of negligible growth, and forecast industrial output to grow by seven to eight per cent in 1994/95 against 3.5 per cent in 1993/94.

A stronger agricultural expansion due to good rains is also aiding the overall economy, Merrill Lynch said. But it added that infrastructure development deserved speedier and more focused policy attention.

The focus of recent policy changes in India, has been mainly on areas that could be considered politically safe, and the economy's long-term prospects depend largely on the government's ability to keep pushing ahead with reforms, it said.



German supermodel Nadja Auermann covered with artificial ice, representing the winter month of January, photographed for next year's exclusive Pirelli Calendar, unveiled in London on Tuesday. Only the actual top models pose in the strictly limited edition of this annual publication. — AFP photo

# Pyongyang rejects Seoul's offer for direct trade

SEOUL, Nov 10: North Korea on Thursday rejected South Korea's offer for direct trade and investment, saying it cannot do business with its capitalist enemy, reports AP.

"Cooperation and confrontation are incompatible," the North's Korean Central News Agency said in a dispatch monitored by Naewoo Press, Seoul's official North Korea watcher.

The KCNA report was the communist North's first response to the South Korean initiative for economic cooperation announced by President Kim Young-Sam in a nationally televised speech Monday.

Kim lifted a half-century ban on direct investment and trade with the North in a dramatic shift in policy that South Korean businessmen welcomed as a move that would benefit both countries' economies.

South Korea said it would encourage businesses to start small joint ventures in food and other daily necessities to help improve living standards in North Korea.

Just days before the presidential announcement, South Korean conglomerates said North Korea had invited them to visit the North to discuss trade.

Recent defectors to the South reported that people go

hungry and factories shut down because of lack of fuel and spare parts. Seeing the sputtering economy, which has been shrinking five per cent a year recently, is the biggest challenge facing Kim Jong Il, North Korea's heir to power.

But North Korea said the South Korean offer "contains nothing new and is a mere camouflage to hide its confrontational posture" against the North.

North Korea holds a grudge against the South for failing to offer condolences over the death of President Kim Il Sung, who died July 8 after ruling the communist state for 46 years. It also denounced a recent US-South Korea military exercise, Foal Eagle '94.

South Korean officials had hoped to open talks with the North on a framework agreement to protect investment and avoid double taxation. The North so far has been reluctant to sign any government-level agreement with the South, which it considers an American colony.

For years, South Korea had said its relations with the North would not improve until the Korean nuclear standoff was resolved by a verifiable agreement.

Despite the standoff, indirect trade through third countries had continued.

# Asia-Pacific states considering plan to promote trade

NEW YORK, Nov 10: The Asia-Pacific countries, already boasting the world's most dynamic economies, are considering a plan to promote even more trade in the region, reports AP.

US President Bill Clinton and other leaders will take up the proposal at the second annual Asia Pacific Economic Cooperation summit that starts Tuesday in Bogor, Indonesia, about 50 kilometers (30 miles) outside of Jakarta.

The 18 member countries — including the United States, Canada, Mexico, Japan, Australia and China — account for 40 per cent of the world's population and 50 per cent of its economic output.

APEC, founded in 1989, has kicked around various proposals to make trading and investing easier, but it has yet to decide exactly when and how to do it.

At their first summit in Seattle last year, APEC leaders pledged allegiance to the principle of free trade but couldn't agree on a timetable for achieving that goal. They also disagreed on whether to extend lower tariffs to countries outside APEC.

This year, prodded by an enthusiastic President Suharto of Indonesia, the leaders will consider removing trade barriers by 2020. Under the plan, developed economies such as the US and Canada would reduce tariffs on imports from other APEC members by 2005; and newly industrialized economies such as South Korea would do the same by 2010. Finally, less developed economies such as the Philippines would reduce their barriers to APEC members by 2020.

Setting such a timetable, however, may be difficult because APEC's diverse members have different trade agendas.

"The US, Canada, Mexico and Australia are more interested in a free trade area because they need growth," says Linda Lim, professor at the University of Michigan School of Business.

"Some Asian countries are not as enthusiastic because their economies already are growing rapidly," said Lim. Developing economies also want to proceed more slowly because they are concerned about protecting their industries from foreign competition.

Not everyone believes that

APEC's first goal should be a free trade area.

"These guys are really flying with their radar screens blared out and they just don't want to admit it," said Mark Borthwick, US Director of the Pacific Economic Cooperation Council, a group of academics and executives that works closely with APEC.

"They could do a great deal with APEC by disseminating information and not worrying about the grandiose ambition of a free trade area," he said.

Exchange of economic data, for example, would go a long way toward understanding Asia's booming economies and, eventually, improving coordination among them.

Lim said a free trade area would not bring many benefits since Asian countries already are dropping barriers under a global trade accord and through unilateral efforts.

"Trade liberalization is happening anyway so it's not clear that APEC would make it happen faster," Lim says.

Trade with APEC countries accounts for more than half of all US exports and is responsible for 2.5 million US jobs, according to official figures.

# Japan firm helps women fend off prying parents

TOKYO, Nov 10: An enterprising company has come up with a solution for young women who want to work in places their parents don't approve of, a major newspaper reported on Wednesday, says Reuter.

For 10,000 yen (100 dollars) a month, Kinki telephone service will set up a young woman with a telephone number and fake occupation at a bogus company — then lie to callers on the women's behalf, the Mainichi Shimbun reported.

The bogus companies have respectable sounding names so parents think their daughters are working in good surroundings and jobs.

"Some girls may already be employed in bars or brothels," said the Mainichi.

"These girls live in fear of their parents discovering their secret life."

Kinki's "receptionists" tell callers the woman is "in a meeting" and offers to take messages.

The Mainichi said 200 clients have signed up for the service in its first month.

Kinki's clients are mostly single young women who want to work in bustling Osaka against the wishes of parents who want them to return to the provinces, the paper says.

# Canada invites ASEAN for dialogue before G-7 summit

KUALA LUMPUR, Nov 10: Canada, as next year's host of the Group of Seven (G7) industrialized countries, Wednesday invited ASEAN to attend a pre-summit dialogue to voice the views of developing nations, reports AP.

Canadian Foreign Minister Andre Ouellet, on a stopover here enroute to Indonesia for the Asia-Pacific Economic Cooperation (APEC) meeting, conveyed the invitation to Malaysian counterpart Abdullah Badawi, who is coordinator of the annual ASEAN-Canada dialogue.

The summit of G-7 countries — the United States, Canada, Japan, Germany, France, Britain and Italy plus Russia — is scheduled to be held in Halifax, Canada, in June.

"This is the first time a host country of a G-7 summit has invited ASEAN to give its views," Ouellet said at the end of his two-day stay.

Abdullah said it was a significant move that could help foster greater understanding between developed and developing countries.

He would convey the message to his counterparts in the Association of Southeast Asian Nations, which also comprises

Brueni, Indonesia, the Philippines, Singapore and Thailand.

During his visit, Ouellet held talks with Prime Minister Mahathir Mohamad, International Trade Minister Rafidaha Aziz and Environment Minister Law Heng Ding.

"In a very short time, we covered a wide range of issues, including UN peacekeeping, ASEAN regional cooperation, expanded trade relations, environment, APEC and Malaysian views on the East Asia Economic Caucus (EAEC)," Ouellet said.

He said Canada favoured the move to create an APEC free-trade area with the objective of facilitating a freer flow of global trade.

It was for the same reason Canada accepted ASEAN's move to launch the Malaysia-initiated EAEC.

"We see this not as a club that excludes others... but a way to join forces and intensify trade relations," Ouellet said.

On environment, Ouellet said Canadian experts would be sent to Malaysia to help the ASEAN institute of forest management study the region's air pollution problem posed by Indonesia's almost perennial forest fires.

# Asian stock markets close lower

HONG KONG, Nov 10: Asian stock markets closed mostly lower Thursday, with the key indexes slipping both in Tokyo and Hong Kong for the fourth straight day, reports AP.

Tokyo's 225-issue Nikkei Stock Average fell 159.03 points, or 0.82 per cent, closing at 19,264.85. On Wednesday, the key index had lost 185.14 points, or 0.94 per cent, closing at 19,423.88.

The Hang Seng Index, the Hong Kong market's key indicator of blue chips, fell 14.72 points, or 0.1 per cent, closing at 9,390.76. On Wednesday, the index had slipped 10 points.

WELLINGTON: New Zealand share prices closed higher, mainly on news of the surprise

resignation of Jim Anderton, leader of the leftist opposition Alliance Party, which caused a strong rally in bonds and equities. The NZSE-40 Capital Index rose 13.71 points to 2,088.88.

MANILA: Share prices closed lower after investors took profits. The Philippines PSE index of 43 selected issues fell 41.67 points to 2,968.21.

SEOUL: Share prices closed lower in moderate trading. The Korea Composite Stock Price Index fell 11.52 points to 1,811.21.

SINGAPORE: Share prices closed lower over worries of US interest rate increases. The 30-share Straits Times Industrial Index fell 14.46 points to 2,329.94.

# Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 9/11/94

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Lito	GSSP Fert(P)	Col	PSAL	28/10	9/11
J/2	Sea Nymph	MOP(P)	Shek	HSAL	23/10	16/11
J/4	Cebesoy	S Cargo	Izmir	FSC	31/10	9/11
J/5	Net Jiang	GI	Sing	Prog	31/10	10/11
J/6	Peter Starostin	Cont	Sing	CT	8/11	12/11
J/7	Banglar Kiron	Rice(P)/GI	Kara	BSC	27/10	9/11
J/10	Rui Feng	Cement	Rainbow	R/A	11/11	
J/11	Banglar Asha	Wheat(G)	Cont	Lams	R/A	12/11
J/12	Lhotse	Cont	Sing	RSL	8/11	10/11
J/13	Bovec	Wheat(P)	Sing	OWSL	31/10	17/11
MPB/1	Banglar Moni	Cont	Sing	BSC	7/11	9/11
	Ultima	Cont	Col	RSL	6/11	9/11
MPB/2	Kota Bintang	Cont	Sing	CTS	6/11	10/11
GSJ	Aghia Sophia	Wheat(G)	Sing	Lams	5/11	12/11
TSP	Boxing Hai	R Phos	Sing	BDship	29/10	16/11
RM/6	Good Spirit	Sugar(P)	Seacom	R/A	22/11	
DDJ	Banglar Shourabh	C Oil	ISC	R/A	14/11	
DD	Banglar Kakoli	Repair	Cal	IFL	28/10	10/11
DDJ/1	K Komsolets	Idle	Pena	IFL	28/10	10/11
RM/9	Banglar Urm	Repair	Indo	BSC	23/10	15/11

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port	Local agent	Cargo	Loading port
Meng Kiat	9/11	Sing	AML	Cont	Sing/Mong
Fong Yun	9/11	Sing	BDship	Cont	Sing
Kabirdas	9/11	Cal	SSL	GI/GL	Dunder Harb
Vitagrain	9/11	Ilyc	Litroad	MOP	
Atodor	10/11	Sing	PSAL	Cement	
Lanka Mahapola	10/11	Sing	RSL	Cont	Mong/CBO
Nikolay Morozov	10/11	Col	BTSA	Cont	Col
Optima	10/11	Sing	RSL	Cont	Sing
Hua Quan	12/11	Vua	RRTA	P Iron	
Olivia	12/11	Suez	PSAL	SSP	
American Heritage	11/11	Momb	Ancient	Wheat(G)	
Banglar Door	13/11	Mong	BSC	GL	UK Cont
Imke Wehr	13/11		APL(B)	Cont	Sing
Banglar Robi	14/11	Sing	HS	Cont	Sing
Ocean Envoy	14/11	Kara	Kams	e(P)/GI	
Fong Shin	14/11	Sing	BDship	Cont	Sing
Vishva Parjat	15/11		SSL	GI	
I Yambarenko	17/11		ASL	GI	
Andrian Goncharov	18/11		CT	Cont	Sing
Evangelos	18/11	Tampa	OWSL	CTSP	
Robert-e-Lee	25/11		Kama	GI(Lash)	

Tanker due

Name of vessels	Date of arrival	L port	Local agent	Cargo	Date of arrival
Al Deerah	10/11	Sing	MSP	ISO/JP-1	
Gemini	11/11	Sing	MSP	HSD	

Vessels at Kutubdia

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Kapitan Kissa	GI(W) Slep	Col	ECSL	6/11
Seyern	C Clink	Sing	Litroad	8/11
Young II	GI(Logs)	Yang	IML	8/11

Vessels awaiting instruction

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Banglar Jyoti			BSC	R/A(4/11)

Vessels not entering

Name of vessels	Cargo	Last port	Local agent	Date of arrival
Janashakthi	Scraping	Col	OTBL	30/10
Chestnut Hill	Wheat(G)	K Dia	Lams	3/11
Attica	Wheat(G)		CCNL	R/A(4/11)
Eco Sherin	SSP Fert(P)	Suez	RSL	4/11
Al Tabth	Mop	P Clar	Litroad	5/11
Agj Anand	Wheat(G)	Mong	Lams	6/11
Irene-P	Wheat(G)		Lams	R/A(8/11)
Wang Ting	Cement		Dejura	R/A(6/11)

Movement of vessels for 10/11/94

Outgoing	Incoming	Shifting			
J/5	Net Jiang	J/12	Fong Yun	J/6	Meng Kiat to
J/12	Lhotse	MPB/1+2	N Morozov		MPB/1
MPB/2	Kota Bintang	MPB/2	L Mahapola		
		J/6	Kabirdas		
		RM/6	Al Deerah		
		RM/8	Banglar Jyoti		

The above were the shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group Dhaka.



US-based Conoco President Constantine Nicandros (L) shakes hands with Malaysian national oil company Petronas President Azizan Zainul Abidin (R) after signing a 1.4 billion dollar pact to build Malaysia's second crude refinery in Kuala Lumpur yesterday. — AFP photo

# Campaign against child labour can run into trouble in India

NEW DELHI, Nov 10: India's campaign to crack down on child labour could run into trouble because of staunch resistance from well-organised industrialists, a UN volunteer sociologist said yesterday, reports Reuter.

"The policing exercise by the labour department is not going to work out," said Neefa Burra, who spent several years researching the subject and surveying affected areas in northern India.

"The industrialists are extremely powerful people and have their own associations," she told a seminar.

The government says there are about 20 million child labourers, but voluntary agencies put the figure at 55 million.

India said last month it would identify areas where child labour was predominant

and set up offices nation-wide to monitor schemes to draw children away from hazardous industries like carpet-weaving, glass-making and safety match manufacturing.

Prime Minister P V Narasimha Rao, responding to western threats of trade curbs on goods that use child labour, announced last August a scheme to pay poor parents so they could have an economic alternative to making their offspring work.

By the year 2000, India plans to coax two million children out of dangerous industries by offering them educational, nutritious food and health care.

She has just released a book entitled "born to work" and challenges the widely held belief that child labourers work mainly in traditional industries.

"These kind of industries did not exist until 40 years ago," she said, citing glass-makers in the northern town of Firozabad who commonly used child labour.

Burra said congenious exposure to glass-making could lead to silicosis, a disease caused by accumulation of silicon in the lungs. Parents often must borrow money to pay medical bills for their children who fall ill.

Burra said industrialists who once proudly displayed photographs of children working in their industries to impress foreign buyers were now apprehensive and frowned on visitors.

But parent numbed by poverty and misery preferred sending their children to work she said. "What else would they do?" she quoted a parent as saying.

# USDA raises forecast for corn harvest

WASHINGTON, Nov 10: The Agriculture Department on Wednesday raised its forecast for the 1994 corn harvest to a record 10 billion bushels and said farmers would get lower prices as a result, reports AP.

The department also raised its already strong estimate for this year's soybean crop.

The department forecast corn production at 10 billion bushels, up four per cent from its October 1 forecast and 58 per cent above the 1993 harvest. Farmers set the previous record in 1992, when they harvested 9.48 billion bushels.

The 1993 harvest slipped to 6.344 billion bushels, as much of the nation suffered from either flooding or drought. This year, however, the growing season had been ideal in most areas.

The department also said the soybean harvest would total 2.52 billion bushels, up three per cent from the October forecast and 35 per cent from last year. The previous record was 2.26 billion bushels in 1979.

The forecasts are based on field surveys conducted on November 1.

The report said corn yields are expected to average a record 138.4 bushels an acre, up 4.6 bushels from the October forecast and seven bushels above the 1992 record.

Soybean yields are forecast at a record 41.5 bushels an acre, one bushel above October 1 and 8.9 bushels above a year earlier.

The department said its latest corn production forecast is 408 million bushels more than its October prediction. As a result of the bumper crop, it projected a drop in prices of five cents a bushel, ranging from 1.85 to 2.25 dollars a bushel.

The soybean production forecast is 65 million bushels more than the department's October projection.

# Republicans' victory Radical changes in US economic policy unlikely

WASHINGTON, Nov 10: The Republicans say their election victory gives them a mandate for their economic programme for the country, a major bone of contention during the campaign, but in fact it is unlikely to bring radical changes to US economic policy, reports AP.

"We have a contract with America... our first obligation is to honour the contract," proclaimed Newt Gingrich of Georgia, the likely new speaker of the House of Representatives, once it became clear that the Republicans had gained control of both houses of Congress for the first time in 40 years.

He was referring to the "contract with America" put forward during the campaign, which calls for an amendment to the constitution requiring a balanced budget, lower taxes

for business, and cuts in welfare spending.

The proposals came under attack from Democrats in the run-up to Tuesday's election, but the bottom line is that basically both parties want to reduce the budget deficit and control health and retirement benefit spending.

And while the Republicans tore apart President Bill Clinton's plans to reform the entire health care system in this country, they are not against the idea of doing something to bring health spending down.

Republican John Kasich is expected to take over as chairman of the House budget committee, with Pete Dominici holding that position in the Senate, and they will no doubt be presenting the proposals for controls on health and retirement spending.

# Rich OECD states expect 3pc growth in 2 years

PARIS, Nov 10: Rich nations in the 25-member OECD expect average economic growth of around three per cent in the next two years, but expect unemployment and government debt to remain high, a senior Japanese official said yesterday, reports Reuter.

Tsutomu Tanaka, vice-minister of Japan's Economic Planning Agency, said that senior finance officials had agreed at a two-day meeting in Paris that economic growth had strengthened and taken hold in all member countries.

"Output in the OECD area is expected to grow at some three per cent over the next two years, with inflation remaining low and unemployment is set to decline, albeit very slowly," he told a news conference.

Unemployment in Europe, where it is particularly bad,

would remain at or above 10 per cent for the rest of the decade unless reforms were made to the labour market.

And even with measures to reduce budget deficits, government debt as a proportion of gross domestic product was expected to rise in most member countries of the Organisation for Economic Cooperation and Development over the next two years.

Tanaka said the officials, meeting under the umbrella of the OECD's economic policy committee of which he is Deputy Chairman, had reaffirmed the need to maintain cautious monetary policies and tight fiscal policies to reassure financial markets and prevent a re-emergence of inflation.

"Recent rises in long-term interest rates and foreign exchange market developments are disquieting," he said.