WTO chief optimistic about accord on new trade talks before Nov meet

REUTERS, *Geneva*

World Trade Organisation chief Mike Moore said Thursday it would be hard, but not impossible, to get the body's 142 member states to agree to launch a new trade round before a WTO meeting in November.

If governments showed political will, an accord could yet be ready for approval by trade ministers at the meeting in Qatar set for November 9-13, the director-general said.

Delegations were studying draft texts prepared by Moore and the chairman of the WTO's General Council of a declaration for the ministers to endorse and a linked negotiating proposal.

The texts, Moore said, "represent a good faith effort to bridge gaps that have existed for years, and they are a sound basis for moving forward".

But he added: "I am under no illusions as to the difficulty we will face in finding agreement."

The former New Zealand prime minister said discussions with various trade ministers and envoys to the WTO had encouraged him to believe that the meeting in Qatar would be a success.

However, his remarks underlined concern among WTO members who want a new trade round, such as the 15-nation European Union and the United States, that time is now running out.

A group of developing nations including India, Pakistan, Malaysia, Zimbabwe, Egypt, Jamaica and the Dominican Republic is resisting the idea of a new round until their complaints over the last one, the 1986-93 Uruguay Round, are addressed.

The drafts circulated late on Wednesday by Moore and Stuart Harbinson, Hong Kong's ambassador in Geneva and this year's WTO General Council chair, appeared shaped to tackle this problem.

Moore said they made clear that "the development dimensions of trade are correctly at the centre of our considerations".

But one Third World critic of the WTO said he felt the twin drafts, which set out a possible agenda for a negotiating effort likely to last some years, favoured the agenda of richer powers.

The draft texts, obtained by reporters, do not refer to the new talks as a "round"the term used for eight similar sets of multilateral negotiations since 1947.

And the wording of the draft declaration indicates that its proposed "Work Programme" would fall short of the "comprehensive round" sought by the EU, Japan and a handful of other states.

It proposes talks aimed at "clarifying and improving" WTO anti-dumping rulesa sensitive issue in the United States.

WTO envoys are due to meet on Monday, Tuesday and Wednesday next week to discuss the drafts.

US sees WTO proposals as good basis for deal

REUTERS, *Washington*

US trade officials Thursday said they were optimistic of launching a new round of world trade talks in November, based on new proposals put forward by World Trade Organisation officials.

"I believe that we certainly can reach agreement on a declaration that would launch a new round" at the Nov. 9-13 WTO meeting in Doha, Qatar, a US trade official said, speaking to reporters on the condition he not be identified.

A pair of proposals by WTO General Council Chairman Stuart Harbinson that were distributed to member countries on Wednesday provide "a very good basis" for trade ministers to reach agreement at the Doha meeting, he said.

But it will require a "full six weeks of negotiations" leading up to the meeting for it to be a success, he said.

The WTO's last attempt to launch world trade talks ended in failure in December 1999, when participants at a meeting in Seattle could not agreed on an agenda for new talks.

"I think we'll have a very, very different situation this time," the official said. "Where we are ... right now suggests to me that we are going to be able to narrow down significantly the number of issues ministers will have to deal with."

Harbinson's proposals cover the agenda for the new round of world trade talks and developing countries' concerns stemming from the implementation of the 1994 Uruguay Round trade pact.

Developing countries complain they have not seen as much benefit from that agreement as they were led to expect and in some cases want more time to implement commitments they made.

A third proposal, not yet distributed to WTO members, will address the relationship between intellectual property right rules and access to medicine, such as HIV/AIDS drugs.

All three are expected to be important components of any ministerial declaration that would be agreed to in Doha.

Harbinson's draft text calls for negotiations in agriculture, services, market access for nonagricultural products, trade-related aspects of intellectual property rights, government procurement, dispute settlement procedures and WTO rules on anti-dumping and anti-subsidy duties.

The last item could be difficult for the Bush administration to swallow because of strong resistance in Congress to any negotiations on US trade remedy laws.

EU seeks ACP support for new world trade round

AFP, *Nairobi*

EU Trade Commissioner Pascal Lamy said Friday he will meet ministers from Europe and African, Caribbean, Pacific (ACP) states in Kenya next week to seek ACP support for a new world trade round.

"I'm going to Kenya to rally support for a Round that must address the concerns and interests of ACP and developing countries as a matter of urgency," Lamy was quoted as saying in an EU press release.

He will participate Tuesday in a Joint ACP-EU Ministerial Trade Committee meeting, where he is expected to seek backing for the launch of a new round of World Trade Organisation (WTO) negotiations.

The ACP member states are grouped under a trade-and-aid pact governing their ties with the European Union.

The next WTO ministerial meeting, seen as a key step toward launching a new round of trade talks, is set to take place in Doha, Qatar, from November 9-13.

EU and ACP states have, under their Cotonou Agreement, embarked on a process to establish new arrangements which will remove trade barriers and strengthen cooperation in matters related to trade.

Lamy is also expected to have talks with Kenya's President Daniel arap Moi, Trade Minister Nicholas Biwott, representatives of the business community and non-governmental organisations.

"Health and environment-related trade issues will be a central focus of Commissioner Lamy's bilateral talks," the EU statement said.

Lamy will also meet the Kenyan Coalition for Access to AIDS drugs and visit an HIV/AIDS clinic.

In June, Kenya became the second country after South Africa to pass laws to allow the importation of cheaper anti-retroviral drugs to widen public access to treatment.

PHOTO: AFP

Arisa Mori, an employee of Japanese electronics giant Sharp, displays the new 30-inch colour Hi-Definition LCD TV, "Aquos LC-30BV3", with a wide XGA (1,280 x 3 x 768 pixels) LCD panel, at a Tokyo hotel, Friday. Sharp will put it on the domestic market November 17 with a price of 6,250 USD.

Japan's NEC forecasts $1.3b loss

AFP, *Tokyo*

Japanese computer giant NEC Corp. said Friday it expects a 1.3 billion dollar net loss for the year to March 2002, hit by a slump in the industry and the expected fallout from terrorist attacks.

In its latest earnings revision, NEC forecast a 150 billion yen (1.3 billion dollar) net loss for the fiscal year, reversing its estimate of a 65 billion yen net profit announced in July.

Sales are now projected at 5,340 billion yen for the year, down from its earlier forecast of 5,850 billion yen, the company said.

NEC is now expecting to suffer pre-tax losses of 220 billion yen for the year against the ealier 110 billion yen profit forecast, it said.

Gloom gathers over Japan

Data show record unemployment, falling prices

AFP, *Tokyo*

The pulse of Japan's ailing economy continued to weaken in August with a raft of data released Friday revealing record unemployment, falling consumer demand and falling prices.

The one brighter spot was a slight pickup in industrial production but economists said the trend would continue to be weak.

"The Japanese economic situation is likely to remain very, very tough especially with overseas demand for Japanese products remaining low," said Hiroki Shimazu, economist at Sanwa Research Institute.

The nation's jobless rate remained at a record high of 5.0 per cent in August, unchanged from July, the government said.

Official data also showed salary-earning household spending fell 0.8 per cent in August from a year earlier in the fifth straight monthly drop.

Retail prices in August fell 0.7 per cent from a year earlier, confirming the nation's stubborn deflationary trend for the 24th straight month.

"The root cause of all these things in Japan is that the US economy has struggled to recover," Shimazu said.

"The Japanese economy is dependent on demand in the United States. If the United States is not buying Japanese products, Japanese manufacturers cannot increase their productivity and secure jobs," Shimazu said.

Industrial output in August edged up 0.8 per cent from the previous month, the trade ministry said, but it forecast September output would fall 1.4 per cent.

"The August production numbers rose, for the first time since February, reflecting strength in auto output but (information technology products) remain weak," a ministry official said.

Industrial output was not seeing a turnaround, said Japan Research Institute economist Makoto Ishikawa.

"The output figure temporarily grew due to strong domestic demand during the summer. But the Japanese economy remains uncertain at best," he said.

"The recent appreciation of the yen is hurting exports. The slowdown of the (information technology) sector has been hurting Asian economies, which are now starting to accept fewer Japanese products," he said.

The September 11 terrorist attacks in the United States would further depress the Japanese economy by extending the US slowdown, said Shimazu at Sanwa.

"It's difficult to forecast how the US economy will overcome this crisis," he said.

"Spending by US consumers was already cooling even before the attacks. And now the attacks have frozen the spending sentiment of the American people."

JRI's Ishikawa said the attacks had already had an impact on American transport, affecting the smooth distribution of goods.

"The attacks clearly have hurt the US economy. That will be reflected in falls in US stock prices, which are likely to drag down Japanese shares with them," Ishikawa said.

Oil dips again on economy woes

REUTERS, *London*

Oil prices dropped again Thursday, dragged down by a bearish mix of the teetering global economy, softening oil demand and a powerless OPEC oil cartel.

Brent crude futures settled 21 cents lower at $22.75 a barrel after sinking to their lowest level for nearly two years on Wednesday.

Immediately after the hijacked plane attacks on the United States on September 11, oil prices briefly spiked to $31.05 but have fallen sharply since.

On Thursday OPEC ratified an agreement that leaves oil supply limits unchanged and has delayed, for now, any fresh effort to lift crude prices out of a slump.

The cartel has had to accept the price slump because an immediate cut in output could risk deepening the global economic downturn by raising energy costs in the oil-dependent West.

OPEC President Chakib Khelil said the cartel could meet before its next scheduled November 14 meeting if needed.

Grim news from French business and British consumers on Thursday provided a fresh reminder that a world recession may be looming in the wake of the attacks.

Japanese auto exports mark first gain in 8 months

AFP, *Tokyo*

Japanese auto exports lifted for the first time in eight months in August thanks to brisk shipments to the United States, but a slowdown is expected due to the terrorist attacks, an industry group said Friday.

Japanese auto exports rose two per cent from a year earlier to 337,472 units last month, the first increase since December last year, the Japan Automobile Manufacturers Association said in a statement.

HK travel industry may see massive lay-offs

REUTERS, *Hong Kong*

Travel agents in Hong Kong said Thursday as many as 6,000 people in the industry could lose their jobs amid a sharp decline in bookings, adding to the territory's economic gloom.

"There are over 20,000 staff employed by travel agents in Hong Kong. Information I collect from my colleagues is that 20 to 30 per cent may be facing layoffs if the situation remains as it is for another six months," Ronnie Yuen, chairman of the Travel Industry Council, told a news conference.

Hong Kong's tourism industry, already suffering from the global downturn, has been hit hard by a wave of cancellations following the deadly September 11 attacks in the United States.

Tour operators and hotels report many holidaymakers are now afraid to fly.

The Hong Kong Hotels Association said on Tuesday some of its members recorded only 50 per cent occupancy after the attacks when they would usually expected to fill 80 per cent of their rooms.

Tourism is Hong Kong's top foreign currency earner, raking in US$7.9 billion in revenue last year, and had been one of the few bright spots in the sputtering economy earlier this year.

The Hong Kong Tourism Board said it now expected no growth in tourist arrivals this year. The board earlier forecast arrivals would grow by nearly eight per cent from last year.

"In the last quarter, we are predicting quite a major shortfall (in tourist arrivals) compared with original forecast," executive director Clara Chong told the news conference.

Layoffs in the travel industry would add to Hong Kong's mounting economic woes.