

G-15 calls for narrowing gap between rich and poor states

MONTEGO BAY (Jamaica), Feb 11: Asian, African and Latin American leaders gathered here Wednesday warned that economic globalisation was widening the chasm between rich and poor nations and called for measures to reverse the trend, says AFP.

"While borderlessness is being interpreted as the right of capital to flow anywhere unconditionally, the poor people may not cross borders into rich countries with equal freedom," said Malaysian Prime Minister Mahathir Mohamed.

"For them, the barbed wire fences and the border guards will remain," Mahathir added, speaking at the opening of the ninth summit of the Group of 15 developing nations.

Jamaica's Prime Minister

Percival Patterson called for mechanisms to help nations negatively affected by the trend.

"It is clear the world needs a properly constructed arrangement for a lender of last resort," Patterson said, referring to the global economic crisis that exploded in Thailand 18 months ago and went on to shake the economies of developing nations around the world.

Globalisation — as seen by the international financial crisis — was threatening the economic future of many developing nations, increasing poverty and causing social instability, Patterson said.

The pace and direction of globalisation, which threatens defenceless nations and endangers millions of vulnerable people, will have to be curbed," he insisted.

Denouncing the current international financial structure as biased in favour of developed nations, Patterson called for a better dialogue between the northern and southern hemispheres to redress the balance.

There is a need "for a new global order, which is more equitable, humane, peaceful and just for all mankind," Patterson said.

The G-15 groups 17 nations — Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Kenya, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Sri Lanka, Venezuela and Zimbabwe.

Created in 1989, the group aims both to strengthen cooperation among the world's leading developing nations and to

serve as a bridge to the group of seven industrialised nations (G7).

"The pursuit of south-south cooperation is assuming increased significance in the developing world's efforts to ensure our economic survival," Patterson emphasised.

Mahathir noted, however, that a lot remained to be done.

"I must say in all these we are not succeeding to well. On the other hand, the rich and the powerful are consolidating, forming powerful politico-economic alliances," Mahathir said.

"Clearly, if we want to safeguard our future we have to be aware of the forces around us, to consult with each other more often and to have a common stand on most issues," he concluded.



MONTEGO BAY (Jamaica): Jamaican Prime Minister P J Patterson (L) addresses the inauguration ceremony of the IX Group of 15 trade summit at the Half Moon Conference Centre in Montego Bay, Jamaica, Wednesday. Representatives of developing nations will meet until 12 February to discuss the group's trade obligations towards the World Trade Organisation.

— AFP photo

Daewoo views India as export supply base

NEW DELHI, Feb 11: South Korea's Daewoo Motor Co Ltd is treating India as a cheap manufacturing base to supply its global export market, the company's president said here Wednesday, reports AFP.

"We have invested in India not for the domestic market but for the international markets," Daewoo President Kang Byung-Ho told reporters.

The business from exports will be much bigger that the Indian market," Kang said.

"India has a big potential for the future. We look at the long-term here and invest for the future. Labour is cheap and there is skilled manpower to meet world standards in automobile production."

Earlier, South Korean Prime Minister Kim Jong Pil, who is heading a business delegation to India to boost trade, visited Daewoo's plant just outside New Delhi.

The factory run by subsidiary Daewoo Motor India Ltd, has an annual production capacity of 72,000 passenger cars, 300,000 automobile engines and 15,000 commercial vehicles.

The competition is tough in the Indian small car market. Hyundai last month launched its small car, Santro, and the Tata Group's Indica rolled out last month.

India's car market was opened to foreign companies following market reforms launched in 1991. The sector had been dominated for more than four decades by anticipated versions of British cars and later by Maruti.

Singapore phone regulations to ease after 2000

SINGAPORE, Feb 11: Regulatory oversight of mobile phone service will ease once another provider joins the market in 2000 and as consumers become more savvy, the minister of communications told Parliament on Thursday, reports AP.

"As the market becomes freer and there are more players, the regulators will not have to have this strict oversight rule," Mar-Bow Tan said. The regulatory framework will ease as consumers become "more savvy and discriminating."

Mah was answering parliamentarians' questions about why the Telecommunications Authority (TAS) stepped into a price war between the island state's two mobile phone providers.

In liberalising the market, TAS has a duty to ensure that the competition is sustainable or healthy," Mah said.

In the leadup to April 2000, when a third service provider will be allowed to enter the Singapore market, the authority has to ensure that the incumbents do not adopt anti-competitive measures, such as predatory pricing to keep out competitors," he said.

This is to safeguard the interests of consumers in the longer term, by ensuring that we do not regress to the former monopolistic situation," he said.

The authority had stepped into the price war between Singapore Telecommunications and Mobile One to make sure that consumers knew the deals being offered were subject to regulatory approval.

Japan economy unlikely to fall steeply

TOKYO, Feb 11: The Japanese economy is unlikely to suffer a steep fall in the three months to March after hitting bottom in late 1998, the chief economic planner said Tuesday, reports AFP.

Economic indicators "may show some worse figures in the January-March quarter but it will be the term when the economy will move sideways at bottom," Economic Planning Agency chief Taichi Sakaiya said.

"I believe it will not knock the bottom out," he told a regular news conference. "It is unlikely to show a clear downward curve."

Sakaiya has said the Japanese economy already hit bottom in late 1998 and will likely improve in the latter half of the next fiscal year starting April 1.

Finance Minister Kiichi Miyazawa was more cautious on Tuesday.

Baghdad to boost oil exports by 12 pc

France blasts sanctions on Iraq as 'useless, cruel'

PARIS, Feb 11: French Foreign Minister Hubert Vedrine denounced UN sanctions on Iraq as "useless and cruel" yesterday as he renewed calls for a new international approach to neutralising Baghdad's weapons programme, reports AFP.

In an address to the national assembly, Vedrine said France had made "strong" and "coherent" proposals to the UN Security Council to ease tensions.

These proposals "would allow us to truly move forward by lifting the embargo, which has shown itself to be useless and cruel, while simultaneously imposing controls over any potential weapons programmes and the revenues" from the renewed oil exports, Vedrine said.

The French foreign minister added that it was up to the UN Security Council to decide whether to change the sanctions regime against Iraq. "France is working towards that end," he said.

The United Nations imposed the oil embargo on Iraq following its 1990 invasion of Kuwait and the sanctions can only be lifted when UN arms experts certify that Baghdad has scrapped its weapons of mass destruction.

The UN arms expert, however, have not been allowed in Iraq since the United States and Britain launched the desert fox air campaign against Iraq in December.

Another report from Baghdad says, Iraq Oil Minister Amer Mohammad Rashid Wednesday said Iraq aimed to boost its production of oil for export by some 12 per cent over the fifth phase of the UN oil for food programme.

He said Iraq aimed to export a total of 350 million barrels of oil over the fifth six month phase of the programme some 40 million barrels or 12 per cent more than in the fourth phase.

To reach this target Iraq must have an average daily production of about 1.92 million barrels per day (BPD) its average since the phase started in November has been 2.06 million BPD, according to UN figures.

It average production in the fourth phase was 1.7 million BPD, the UN said generating revenues of 3.04 billion dollars from a ceiling of 5.2 billion dollars.

He said the Saudis had "upstaged" an additional quota in 1991, the year of the Gulf War.

In the past few months, some

The oil for food programme allows Iraq to sell limited quantities of crude in return for basic products but low oil prices and a crumbling oil sector have meant that Iraq has found it hard to meet the export ceiling.

Apart from oil exports for the programme, local consumption accounts for about 550,000 BPD, Jordan taken around 96,000 BPD under a separate agreement.

The drop in oil prices is a catastrophe for which Saudi Arabia is responsible ... (by) flooding the oil market, Rashid said.

In late January, the minister renewed a call for OPEC to cut the Saudi production quota by two million BPD.

Saudi Arabia adopts an oil policy which harms the peoples of oil exporting countries including the Saudis themselves Rashid charged.

The Iraqi minister said the OPEC quota of the world's largest producer should be cut to six million BPD from the current rate of some eight million BPD.

He said the Saudis had "upstaged" an additional quota in 1991, the year of the Gulf War.

In the past few months, some

Taiwan hit by worst financial turmoil in years

TAIPEI, Feb 11: Taiwan is suffering its most severe financial turmoil in years, with shares plunging and companies failing, but economists said Thursday they see no reason to panic, reports AP.

The government is scrambling to control the damage, and experts say that with only modest official measures, such as stricter rules to prevent improper lending and excessive corporate stock investment, Taiwan's relatively healthy financial system can guide the island through the mess.

"We do have problems and we can expect more corporate troubles to surface," said Wu Hui-lin, an economist at the Chungli Institute of Economic Research. "But Taiwan's free market system will prevent the crisis from getting out of hand."

The economy shall become more robust after filtering out the bad apples," Wu predicted.

Taiwan has suffered less damage than many of its neighbours in the Asian economic crisis, though its economy has been slowing and many problems have started to emerge.

In the past few months, some

banks were found to have improperly funnelled funds to affiliated conglomerates that later got into trouble. Other companies saw their debts soar after borrowing money to buy stocks that soon fell in value.

Some healthy banks suffered losses in the stock market as they jointly set up a US \$8.7 million stock stabilisation fund in November — following a request from the government that they buy shares to prop up prices — only to see shares shed nearly 15 per cent since.

Vice Finance Minister Yen Ching-chang dismissed talks of a financial crisis breaking out in Taiwan, saying the economy is basically sound despite falling exports in the wake of the regional problems.

Troubled companies only account for 2.5 per cent of the stock market capitalisation, Yen has said. But authorities have taken 10 firms out of the stock market to prevent their plunging shares from further shaking market confidence.

Economists say most banks can stand firm, and the turmoil should bottom out in a year or so if the government keeps its hands off the market and lets prices fall where necessary.

Exchange Rates

Following are yesterday's Standard Chartered Bank exchange rates of major currencies against the Taka:

Central bank USD/BDT rate: Buying-BDT 48.35/Selling-BDT 48.65

Selling TT/OD BC Currency Buying TT Clean OD Sight Doc OD Transfer

48.7100 48.7500 USD 48.3150 48.1549 48.0708

0.4305 0.4308 JPY 0.4192 0.4178 0.4171

34.7011 34.7296 CHF 34.0438 33.9310 33.8003

28.9372 28.9610 SGD 28.4923 28.3381 28.2886

32.9077 32.9347 CAD 32.1843 32.0776 31.9577

62129 62160 SEK 61096 60893 60764

32.0073 32.0336 AUD 30.7573 30.6554 30.4576

12.6529 12.6865 MYR 12.6801 12.6381 12.6061

6.2951 6.3002 HKD 6.2271 6.2065 6.1933

13.0342 13.0449 SAR 12.8426 12.8000 12.7675

13.2959 13.3099 AED 13.1180 13.0746 13.0411

0.0414 0.0415 KRW 0.0410 0.0409 0.0408

79.8113 79.8768 GBP 78.1495 77.9905 77.6103

55.6606 55.9065 EUR 53.9437 53.7649 53.6710

USANCE EXPORT BILLS

TT DOC 30 DAYS 60 DAYS 90 DAYS 120 DAYS 180 DAYS

48.2154 47.9179 47.5208 47.0641 45.5677 45.4558

EXCHANGE RATES OF SOME ASIAN CURRENCIES AGAINST US DOLLAR

Indian Rupee Pak Rupee Thai Baht Mal Ringgit Rupiah Sing Dollar

42.450/42.490 50.92/51.02 37.09/37.19 3.7998/ 8550/ 1.6905/1.6915 3.9001 6.6265

US DOLLAR LIBOR

BUYING SELLING 1 Month 3 Months 6 Months 12 Months

Cash notes 48.15 48.75 USD 5.62875 5.20633 5.19813 5.19809

TC 48.1 48.7 GBP 65 6.34913 6 5.67381

Market Commentary

On Thursday, trading in the local interbank forex market was paralysed due to the third straight day of general strike. US dollar supply was short and traded between BDT 48.68 and BDT 48.6950. The call money rate ranged between 8.5 to 9.0 per cent.

In the international markets, yen dropped to its lowest level against dollar and in long-term interest rates. The possibility of underwriting Japanese government bonds by the Bank of Japan and possibility of announcing the inflation target also bolstered speculation that interest rates would come down again.



Dell Computer Corporation has appointed Technoedge Corporation Limited its direct distributor for the Bangladesh market. YH NG, Director of Dell APCC (Center), Zahid Hassan Khan, Managing Director (Right), and Farzana Chowdhury, Director of Technoedge Corporation Limited, are seen at the signing ceremony held at Dell's Asia Pacific office at Penang, Malaysia.

S & P downgrades biggest Chinese steelmaker

SHANGHAI, Feb 11: Standard & Poor's Thursday lowered its long-term foreign currency corporate rating of China's biggest steelmaker, Shanghai Baosteel Iron and Steel Group Co. (Baosteel), citing uncertain business prospects and financial risks posed by government reforms, reports AFP.

The US ratings agency said in a statement it had cut the rating to triple B minus from triple B plus, adding that the rating faced a negative outlook.

The downgrade reflects concerns about Baosteel's business prospects and the financial risks associated with recent government-led reforms of the state-owned enterprise sector," the statement said.