

No progress yet in search

Thai PM blasts US role in WTO leadership run

BANGKOK, May 20: Thai Premier Chuan Leekpai has blasted Washington over its role in the WTO leadership race, labelling US action as "unfortunate" in a strongly worded letter to President Bill Clinton, says AFP.

In the letter dated May 17, Chuan said US lobbying in support of New Zealand candidate Mike Moore was not constructive.

Moore is head to head with Deputy Thai Prime Minister Supachai Panitchpakdi in the race to become the new director-general of the World Trade Organisation (WTO).

Chuan also indicated that Asia and "a large number of concerned nations" were watching developments with concern for the future of world trade.

"I am ... very concerned to have learnt about recent events that have taken place in Geneva," Chuan said in the letter, a copy of which was sent to AFP.

Particularly the release of a statement on May 2, by a group of 10 countries, including the United States, to the effect that if Mike Moore is vetoed there would be no way in which Dr

Supachai (Panitchpakdi) would become the new Director-General.

Clinton gave his personal assurance to Chuan in a letter last month that Washington would not block Thailand's candidate if there was no consensus around Moore.

But Chuan said the actions of US negotiators in Geneva did not match Washington's public position.

"This unfortunate statement and other actions by your permanent representative in Geneva do not seem to be constructive," he said in the letter.

"It is my understanding, however, that these initiatives do not reflect your views nor your wishes concerning this very important issue."

Acting WTO chairman Ali Mchumo of Tanzania has tried to build a consensus behind Moore, claiming he was supported by 62 countries

months was regarded as the frontrunner.

Supachai's backers, including Japan and most Asian na-

tions, have vowed they will continue to support him despite US opposition.

Meanwhile AP reports from Geneva: Efforts to appoint a new leader for the World Trade Organisation are at a standstill.

Three weeks after Italy's Renato Ruggiero stepped down as director general of the trade body, the nations are no closer to selecting a successor.

And some fear that the 134 member nations are so deadlocked over two candidates that they will have to start a new to find someone, possibly delaying a decision for months, even into the fall when key trade talks are scheduled to start.

"It would be the worst possible solution," said Turkish trade ambassador Omer Ersun. "It will make a mockery of our work of the last six months if a latecomer pops out at the last moment."

The two candidates for the top job are former New Zealand Premier Mike Moore and Thai Deputy Premier Supachai Panitchpakdi, both of whom are considered highly qualified.

So far, there are no formal proposals for a third candidate to break the deadlock, although

names floating around the WTO's lakeside headquarters include former Uruguayan trade minister Enrique Iglesias, who heads the Inter-American Development Bank in Washington.

After intense negotiations, Mchumo last month proposed that Moore get the job because he had the edge over Supachai. The suggestion was welcomed by the United States and most Latin American and some European countries."

Asian nations, though protested, saying Supachai had for months been the front-runner. They blocked Moore's appointment and demanded that Mchumo try to rally the nations around Supachai.

Since then, Mchumo has failed to narrow the gap. The WTO operates on the principle of consensus, and any move to decide the issue by a vote would meet heavy opposition.

Suggestions by New Zealand for a power-sharing deal, with Moore as the chief and Supachai in the No 2 spot have been rejected by Bangkok.

Moore has let it be known he's not interested in being anyone's deputy.

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Call for vote to elect WTO DG

BATAM (Indonesia), May 20: Malaysia and Indonesia want a new chief of the World Trade Organisation to be elected by vote, not by consensus, which has been the practice of the 134-member body, a high Malaysian official said Thursday, reports AP.

"We want a vote to be done for the WTO director general," said Rafidah Aziz, Malaysia's minister of international trade and industry.

Malaysia and Indonesia "are one voice on this," she said. "We don't want to make any more compromises. Enough is enough."

Rafidah was speaking to journalists on the sidelines of a meeting between the two countries' leaders on this industrialised island near Singapore.

Indonesian President BJ Habibie and Malaysian Prime Minister Mahathir Mohamad discussed border, trade and other issues during a two-hour meeting.

Vying for the WTO's leading post are Supachai Panitchpakdi, a deputy prime minister of Thailand, and Michael Moore, a former New Zealand prime minister. The four-year term of director-general Renato Ruggiero of Italy ended April 30.



— DHL photo

Key UNSC powers agree to extend oil-for-food plan for Iraq

UNITED NATIONS, May 20: Key UN Security Council members agreed yesterday to extend the UN oil-for-food programme for Iraq for another six months without changes, diplomats attending a private meeting said, reports Reuters.

A full council vote is expected on Friday or Monday on the programme that allows Iraq to sell \$5.26 billion in oil every six months in order to buy food, medicine and other goods for its people. The programme expires on May 24.

The decision to roll over the oil-for-food plan was taken at an informal meeting of the council's five permanent members with veto powers — the United States, Russia, China, Britain and France.

Iraq, which says the oil-for-food plan is useless, has to agree to continue the oil sales, whose revenues go into an UN account to pay suppliers of humanitarian goods. But the diplomats said they expected Baghdad to give its consent.

The oil-for-food plan, which began in December 1996, was designed to offset the impact of stringent UN economic sanctions.



(From left) Najma Dowla, M Anis Ud Dowla, Syed Manzur Elahi and Barrister Rafique-ul-Huq at the 26th AGM of ACI held in city yesterday.

— ACI photo

26th AGM held

ACI declares 25pc dividend Star Business Report

Advanced Chemical Industries (ACI) Limited has declared a 25 per cent dividend for its shareholders for the financial year 1998.

The dividend was announced at the 26th Annual General Meeting of the company held in city yesterday, says a press release.

The Chairman and Managing Director of the company, M Anis Ud Dowla, presided over the meeting.

The company's sales turnover increased by 21.16 per cent to Tk 969,224 million in '98 over the previous year and the gross profit increased by 24.30 per cent to Tk 321,858 million, reflecting competitive sourcing of materials and reduction of manufacturing expenses.

Administration, selling and distribution expenses increased at a declining rate of 11.60 per cent indicating operational efficiency.

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UK to unveil HIPC debt relief plan

LONDON, May 20: British Chancellor of the Exchequer Gordon Brown was expected to call for a \$2 billion fund today to speed up debt relief for the world's poorest countries, the Guardian newspaper reported, says Reuters.

The Guardian said Brown would urge that the \$440 million lodged in the World Bank/IMF Heavily Indebted Poor Country (HIPC) Trust Fund be increased five-fold to meet demands from aid campaigners for urgent action on debt relief.

Brown, who is calling for relief of a nominal \$50 billion of poor countries debt, is scheduled to speak to parliament's committee on debt relief at 1030 GMT together with International Development Secretary Clare Short.

The newspaper said Britain was pressing the European Development Fund to find half of the \$2 billion fund, with other finance coming from the World Bank and International Monetary Fund and the rich countries of the West.

Brown and Short wrote to the European Commission last month suggesting the European Union should either make a contribution to multilateral funds to help poor countries meet debt servicing costs in advance of HIPC debt relief, or make a direct contribution to the HIPC Trust Fund.

The Guardian said Brown would tell the committee on Thursday that it was vital that the Group of Seven leading industrial nations come up with concrete proposals when they meet in Cologne in Germany next month.

Mahathir says economy doing 'quite well'

KUALA LUMPUR, May 20: Prime Minister Mahathir Mohamad said today that Malaysia's economy was doing well and first quarter 1999 growth figures were on target, reports Reuters.

"From the indications, all the indices we have gathered, the economy seems to be doing quite well," Mahathir told reporters after announcing a minor cabinet reshuffle.

ONE Bank to open branch in city soon

ONE Bank Limited, one of the newly-approved banks, held its first meeting of the Board of Directors on Friday.

The bank has been incorporated with the Registrar of the Joint Stock Companies and is going to open its first branch in the city soon, says a press release of the bank issued yesterday.

The meeting elected MH Choudhury, Chairman of the bank, a retired senior civil servant, is well-known for his impeccable integrity and management leadership. He served the ITU Geneva as telecom expert in various overseas appointments and was the Chairman of the T&T Board.

The Vice Chairman, Hefazatul Rahman, is a reputed industrialist and Managing Director of the conglomerate, Mostafa Group of Chittagong.

Ashfaque U Choudhury, founder and former Managing Director of Dhaka Bank Ltd, took up the massive task of organising the bank as its Managing Director. Formerly, he also held senior executive positions in different nationalised and foreign banks in the country and abroad.

Pipeline blasts in Iran, spilling crude into rivers

CAIRO, May 20: A pipeline carrying oil from Iran's southwestern province of Khuzestan to the refinery at Isfahan exploded Friday, spilling hundreds of barrels of crude oil into the region's rivers, Iranian television reported, says AP.

The blast was contained in about two hours, but seriously damaged production equipment, according to the TV report, which was monitored by the London-based British Broadcasting Corporation.

Workers were trying to clear an area road covered with crude oil, the report said. The cause of the blast wasn't clear, it added. Further details were not available.

The region is about 350 kilometers (220 miles) south of Tehran.



The first meeting of the Board of Directors of ONE Bank held in the city Friday.

— ONE Bank photo

Foreign fund flows send Asian stock markets soaring

SINGAPORE, May 20: Foreign funds streaming back to Asia's recuperating economies lately have sent local stock markets soaring, but the amounts are a trickle compared to the cash sloshing into Japan, strategists and traders said, reports Reuters.

"Funds flowing into Japan are much bigger than the rest of Asia," Niles Jasani, regional strategist at SG Securities said. "In the month of March alone, Japan attracted two trillion yen (\$20 billion) worth of investments."

The investment going to the rest of Asia is minimal compared to the levels in Japan — it's not even a quarter of it," Jasani estimated.

To some extent the disparity between Japan and the rest of Asian investment is not surprising given that Japan is a G3 economy with a GDP amounting to \$3,857 billion in 1998. This compares with Korea which has an estimated nominal GDP of \$298 billion and Taiwan with about \$262 billion.

But the small amounts trickling into the rest of Asia are having a major impact just because of the relatively small size of the region's share markets.

These markets, spanning Hong Kong, Taiwan, South Korea, Singapore, Thailand, Malaysia, the Philippines and Indonesia, currently add up to about two thirds the size of Japan's benchmark Nikkei 225 index (see table below).

The combined market capitalisation of the main stock market indexes in these eight Asian stock markets is also three times smaller than the Dow Jones Industrial Average, according to Reuters Securities 3000.

But the cash which is returning to the non-Japan Asian region is headed more toward northeast Asia where economies are in better shape.

S'pore jobless rate drops

SINGAPORE, May 20: About 2,800 workers lost their jobs in Singapore in the first three months this year — a steep drop from the 8,000 layoffs in the last quarter of 1998, a newspaper reported Sunday, says AP.

Citing figures from the manpower Ministry, The Sunday Times said the unemployment rate in the city-state has dropped to 3.9 per cent from 4.4 per cent last year.

"But compared to our normal unemployment rate of 2 per cent, it's still very high," manpower Minister Lee Boon Yang was quoted as saying.

A record 28,300 people were laid off in Singapore last year, the highest number since 19,529 jobs were lost in 1985 during the last recession.

and politics are relatively more stable.

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