

# APEC businessmen for pulling down trade barriers faster

TOKYO, May 23: Asia-Pacific business leaders meeting here today told the region to knock down trade barriers faster and to open up investment in response to the Asian financial crisis, says AFP.

Industry leaders from 21 economies represented in the business advisory council of the Asia-Pacific Economic Cooperation (APEC) forum issued a statement urging improvements.

APEC economies have pledged to free up trade across the region by 2020, with the most advanced members liberalising 10 years earlier. Each member has an action plan which is reported annually.

But the plans offered by APEC members, which include the United States, Japan, China, Russia, Mexico and key Southeast Asian nations, "are often too vague to be useful to business," the council said.

Victor Fung, chairman of the Hong Kong Trade Development Council, told a news conference the trade plans needed "very

specific milestones on how economies are going to achieve their goals."

"The plans are still not specific enough and I think we need more transparency in terms of making sure that the plans are more easily comprehensible in businessmen's language," he added.

Fung is co-chairman of a committee monitoring the APEC plans to lower trade barriers.

"It is especially important to focus on investments this year because of the Asian currency crisis," Fung said after the business advisory council's three-day meeting here.

Liberating rules to make investment more stable and transparent was important, he said, and the APEC members should "bind themselves to commitments in this regard."

"Business leaders felt tariffs were 'still a significant area of concern and they need to be reduced, especially in peak tar-

iffs,'" Fung said, also urging more work on cutting non-tariff

barriers.

In services, he added, it was "very important for economies to actually have a level playing field in terms of treating domestic companies on an equal footing with foreign companies."

Gary Burkhead, US vice chairman of FMR Corp. Fidelity investments, said business leaders pored over how to develop an Asian debt market to improve access to capital.

The executives believed the priority was dealing with bad debt, he said, and their recommendations dealt both with re-organising companies and pumping more capital into banks.

"Beyond that, we have proposed a series of steps that would create a more workable long-term framework for the development of local debt markets," he told the same news conference.

Recommendations included developing the rights of creditors, improving transparency and accounting, firming up laws and regulations and seek-

ing a level playing field in terms of taxes, Burkhead said.

Japan last week proposed a credit-guarantee scheme for up to two trillion yen (17 billion dollars) in bonds issued by other Asian countries, to develop the region's debt market.

Timothy Ong, deputy chairman of Brunei's National Insurance Co Berhad, who is co-chair of the business council, said the meeting sought to address the "need for workable access to capital."

Business executives, whose recommendations go to APEC leaders before their September summit in New Zealand, examined the "need to restore and strengthen domestic banking systems, the need to promote foreign investment" and the need to find the right rules and standards, Ong said.

The corporate chiefs did not explicitly discuss the Asian crisis as a whole, said Hong Kong's Fung, but he believed the region had "bottomed out although recovery in a sustained basis is not all that evident."

# Clinton confident of China's WTO entry

IRVINGTON, Virginia, May 23: US President Bill Clinton told Democratic senators on Saturday that he was confident of reaching a deal to secure China's entry into the World Trade Organisation by the end of the year, a White House spokesman said, reports Reuters.

China would like to join the WTO by the end of the year, when ministers meet in Seattle to begin a new round of global trade liberalisation talks.

Siewert also said Clinton thanked senators for backing gun-control legislation earlier in the week, quoting the president as saying, "The country has come a very great distance on this issue."

The Senate on Thursday passed a sweeping juvenile anti-crime bill that included the first new gun-control measures since the Republicans won control of Congress in the 1994 elections.

Talks concerning China's WTO entry have been placed on hold since NATO bombed the Chinese embassy in Belgrade in what the alliance said was an

accident. US officials have said they are waiting for the Chinese to allow them to send trade negotiator Robert Cassidy to China to resume negotiations.

Clinton spoke about China and contrary to the conventional wisdom, he thinks we can get this done," Deputy White House Press Secretary Jake Siewert told reporters.

"He said it is very important and that it would be a great mistake to walk away from a strong deal."

Siewert said Clinton told senators attending the annual Democratic issues conference in rural Virginia that a deal could be reached by the end of the year.

Vice President Al Gore cast a tie-breaking vote on an amendment that would require background checks on all people who buy firearms at gun shows.

# Filipino GDP may grow 0.66 pc in 1st quarter

MANILA, May 23: A strong rebound in agriculture in the first quarter of the year will pull the Philippines out of recession, but a sustained contraction in manufacturing will temper the recovery, a Reuters poll showed.

The continued manufacturing slump would result in gross domestic product (GDP) growth of 0.66 per cent and gross national product (GNP) growth of 0.9 per cent in the quarter, according to the poll of nine economists last Friday.

The Philippines' economic growth figures for the first three months of 1999 are to be announced on Friday.

For all of 1998, government figures show GDP shrank 0.5 per cent and GNP grew only 0.1 per cent, due both to the Asian economic crisis and the extreme weather patterns caused by the El Nino and La Nina phenomena.

Figures released earlier show that agricultural output in the first three months of 1999 expanded 2.69 per cent year-on-year, mainly driven by higher unmilled rice and corn crops and the good performance of the livestock industry.

"Agriculture will support a positive GNP, GDP figure for the first quarter but it's still not something that we should be jumping up about," said Helen Alvarez, research head of All Asia Capital and Trust Corp.

The farm sector accounts for a fifth of the country's total output.

The industrial sector, now

contracting to a lesser degree, is still a drag in the economy's overall recovery as it continues to face excess capacity and lack of investments, said Ces Tancho, economist of the Bank of the Philippine Islands.

Lower remittances from overseas Filipino workers who either lost their jobs or had to take a pay cut due to the financial crisis will dampen GNP growth in the first quarter, said Leslie Khoo, economist of Thomson Global Markets in Singapore.

But the moderate growth of around 2.5 to 2.8 per cent forecast in the services sector would help lift GNP and GDP in the quarter, the economists said.

Finance Secretary Edgardo Espiritu earlier told Reuters he expected GDP to grow one to 1.5 per cent in the first quarter compared to a year earlier.

Growth was expected to remain tempered in the second quarter, the economists said.

"I think the positive impact of the downturn in interest rates would filter through the economy and boost sentiment in consumer spending," said Eddie Lee, regional economist of Vickers Ballas Securities in Singapore.

The growth of business ties between China and Russia are highly significant for the realization of the market diversification strategy of both economies, Li said.

The Russian market has huge potential for Chinese goods, about one-fourth of which currently rely on overseas markets.

On the whole, the current development trend of Sino-Russian business is upbeat, Lu said.

Co-operative projects in fuel, power and timber are expected to spark the economic co-operation between China and Russia in the future.

## Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.

| Currency       | Selling TT & OD | Buying TT Clean | Selling EC | Buying OD Sight | Buying TT & OD |
|----------------|-----------------|-----------------|------------|-----------------|----------------|
| USD            | 48.7300         | 48.7700         | 48.3100    | 48.1570         | 48.0805        |
| Pound Stg      | 78.5138         | 78.5782         | 76.8226    | 76.5793         | 76.4648        |
| Deutsche Mark  | 26.7316         | 26.7535         | 25.7429    | 25.6613         | 25.6230        |
| Swiss Franc    | 32.3572         | 32.3838         | 31.6372    | 31.5370         | 31.4988        |
| Japanese Yen   | 0.3964          | 0.3965          | 0.3862     | 0.3846          |                |
| Dutch Guilder  | 23.7247         | 23.7742         | 22.8472    | 22.7749         | 22.7408        |
| Danish Krone   | 6.9834          | 6.9891          | 6.8206     | 6.7990          | 6.7888         |
| Australians \$ | 32.5516         | 32.5784         | 31.2566    | 31.1576         | 31.1110        |
| Belgian Franc  | 1.2960          | 1.2971          | 1.2481     | 1.2423          | 1.2423         |
| Canadian \$    | 33.7115         | 33.7392         | 32.7193    | 32.6156         | 32.5669        |
| French French  | 7.9704          | 7.9769          | 7.6756     | 7.6513          | 7.6399         |
| Hong Kong \$   | 6.2970          | 6.3022          | 6.2178     | 6.1981          | 6.1889         |
| Italian Lira   | 0.0270          | 0.0270          | 0.0260     | 0.0259          | 0.0259         |
| Norway Kron    | 6.2892          | 6.2944          | 6.1855     | 6.1659          | 6.1567         |
| Singapore \$   | 28.6226         | 28.6461         | 27.7086    | 27.6209         | 27.5796        |
| Saudi Rial     | 13.0280         | 13.0387         | 12.8464    | 12.8057         | 12.7865        |
| UAE Dirham     | 13.3040         | 13.3150         | 13.1167    | 13.0751         | 13.0556        |
| Swedish Kron   | 5.7529          | 5.7576          | 5.6765     | 5.6585          | 5.6501         |
| Qatari riyal   | 13.4254         | 13.4364         | 13.2313    | 13.1894         | 13.1696        |
| Kuwaiti Dinar  | 164.6284        | 164.7635        | 152.6322   | 152.1548        | 151.9273       |
| Thai Baht      | 1.3140          | 1.3151          | 1.2981     | 1.2940          | 1.2921         |
| Euro           | 52.2814         | 51.3263         | 50.3487    | 50.1892         | 50.1142        |

### Bill buying rates

| TT Doc  | 30 Days | 60 Days | 90 Days | 120 Days | 180 Days |
|---------|---------|---------|---------|----------|----------|
| 46.8112 | 47.9074 | 47.5048 | 47.1023 | 46.6997  | 45.8945  |

### US dollar London Interbank Offered Rate (LIBOR)

| Buying  | Selling | Currency | 1 Month | 3 Months | 6 Months | 9 Months | 12 Months |
|---------|---------|----------|---------|----------|----------|----------|-----------|
| 48.0850 | 48.7300 | USD      | 4.9220  | 5.0487   | 5.1800   | 5.3663   | 5.4862    |
| 48.0850 | 48.7300 | GBP      | 5.3768  | 5.3669   | 5.3592   | 5.4179   | 5.4544    |
| Cash/TC | Cash/TC | Euro     | 2.6074  | 2.6149   | 2.6283   | 2.7025   | 2.7226    |

### Exchange rates of some Asian currencies against US dollars

| Indian Rupee | Pak Rupee | Thai Baht | Malaysian Ringgit | Indonesian Rupiah | Korean Won |
|--------------|-----------|-----------|-------------------|-------------------|------------|
| 42.70/       | 51.55/    | 37.10/    | 3.7995/           | 8150/8350         | 1192.0/    |
| 42.770       | 52.00     | 37.20     | 3.8005            |                   | 1194.5     |

Amex notes on Sunday's market

US dollar demand remained very high on Thursday, due to short fall in the supply of USD. Major USD suppliers refrained from selling USD in the interbank which pressured the USD/BDT rate. Average USD/BDT rate ranged between 48.6500-48.6700, despite support for BDT at 48.6500 by nationalised banks. Today i.e. on Sunday the pressure on USD was not felt as high as last week. The rate came down a little. Today USD/BDT was traded around 48.65-48.66 range.

The call money market was active on Thursday as well as on today i.e. on Sunday. Rates remained in the same level. Today the market traded in 6.5-7.00 range. Treasury Bill auction was held today. Payments will be made on tomorrow against today's auction. Bangladesh Bank hasn't declared the auction result yet. It will be announced in the evening.

Fueled by America's strong economy, the dollar came within striking distance of a record high against Europe's ailing currency to close both the session and week higher. Gloomy sentiment for the 11-nation euro bloc, particularly for Germany and Italy, the area's largest economies, hurt the euro and finally allowed the dollar to crack support at 1.06 per euro and rush to a session high at 1.0546 per euro. Soft inflation numbers in several German states, which could spark a deflationary spiral, followed Thursday's weaker than expected West German business confidence index and a sharp decline in Italy's industrial orders. These figures contrast sharply with buoyant US growth reflected in forecasts release by the Philadelphia Federal Reserve Bank on Friday which see an annual growth rate of 3.2 per cent for the second quarter of 1999. Euro/dollar ends modestly lower having pared most losses after corporate selling orders dried up at end of European day. Euro still vulnerable on downside, if \$1.0537 low breaks \$1.0400 in play. Strong US economy fueling dollars rise.

Dollar/yen slips still lodged in 123.50-124.50 band though. GBP/USD hangs on above \$1.6000 six-week low after bounce.

At NY close the majors traded against US\$ at 123.92/124.02 JPY, 1.5160/1.5170 CHF, Euro at \$1.0572/1.0579 and GBP at \$1.6002/1.6012.