

Blair aims at making British entrepreneurs world beaters

LONDON, July 7: Prime Minister Tony Blair yesterday pledged to provide a stable economy and a raft of new government measures to help British entrepreneurs face foreign competition in the next millennium, reports AFP.

Blair told a conference of British venture capitalists his New Labour government had gone a long way to winning its economic spurs but would show no complacency about keeping the economy on track.

"Underlying inflation has been at or near the government's (2.5 per cent) target for the best part of a year. We expect it to remain there," he said. "But we must never be complacent. Stability is our central purpose and we are in this for keeps."

Unbowed by recent criticism that he had ignored traditional supporters, Blair vowed to help British entrepreneurs close the gap on foreign competitors, par-

ticularly the United States, where plentiful seed capital has helped spawn giants like Microsoft and MSFT.

"The essence of New Labour is this: fairness and enterprise are not opposites but partners," he said, adding that he wanted to help the jobless find work and make more millionaires.

With the opposition Conservatives finding rare success in European parliamentary elections with an anti-euro ticket, Blair wants to construct a broad platform to appeal to the poor and wealthy, while writing the Tories off as a one-issue party.

Last week, a flurry of initiatives on pensions, education and training were aimed at the man on the street. A major health announcement due later on Tuesday — tackling killer diseases — is targeted at the same audience.

But Blair is deadly keen to keep commerce on his side too.

In a wide-ranging speech, he said the billions of pounds the government was investing in education would equip the next generation to handle a hi-tech, knowledge-based global economy.

But he offered specific help to budding entrepreneurs too — Chancellor of the Exchequer Gordon Brown's next budget will include new incentives for corporate venturing, Blair said, having already cut corporation tax to 30 per cent.

Closer to hand, Trade and Industry Secretary Stephen Byers will later this week announce measures to cut red tape for small business and the government will put 50 million pounds into a venture capital fund to boost start-up investment.

Blair conceded the government could only do so much and called on the financial sector to play its part.

He said a review of the banking industry would reveal the obstacles firms face in getting the money they need and noted UK pension funds invest only one per cent of their money in venture capital. Their US equivalents put nearly five per cent in.

"I urge them to ... examine whether they and other institutional investors are being too cautious," he said. "I would like to see an immediate response from them."

Blair also said the British culture of turning its back on failed businessmen must change. Most successful entrepreneurs failed before they struck gold, he said.

"This is one of the reasons we are reviewing insolvency legislation," he said. "Entrepreneurship is a process of trial and error and there is a great need in this country to change negative attitudes to honest failure."

Toyota to abolish seniority-based pay system

TOKYO, July 7: Breaking with Japanese corporate tradition, Toyota Motor Corp. said Monday it plans to adopt a new pay system based on performance rather than seniority, reports AP.

The new arrangement, which the automaker hopes to launch in October, is intended to encourage employees to work harder by rewarding them for their achievements, Toyota spokesman Tomomi Imai said.

"We think this will improve our company's performance," Imai said.

Toyota, like most large Japanese companies, has traditionally given management-track workers automatic pay raises as they got older.

Workers will still receive these regular pay hikes under the new system. The amount they get, however, will be based on performance instead of age, Imai said.

The company will ask its labor union to agree to the new payment plan in August, and once in place, about 20,000 of Toyota's 70,000 employees in Japan will be affected, Imai said.

He added that the new system will only affect lower-level managers. Top Toyota executives are already paid on a merit-based system.

The automaker's announcement comes as Japanese companies across the board are scrambling for ways to increase productivity and innovation through new management styles and drastic labor cuts.

In recent months, corporate giants like Mitsubishi Electric Corp. and Sony Corp. have announced plans to slim operations and cut thousands of workers — straying from Japan's long tradition of lifetime employment.

Thai PM open to shared term for top WTO post

BANGKOK, July 7: Prime Minister Chuan Leekpai said today he was open to the idea that the term of the disputed World Trade Organisation's top post be shared by rival candidates from Thailand and New Zealand.

"I think it's really up to the judgment of the government of (WTO) members," he told Reuters in an interview.

Thailand's deputy prime and commerce minister Supachai Panitchpakdi is locked in a protracted battle with New Zealand's former prime minister Mike Moore for the WTO's director general's post vacated by Italy's Renato Ruggiero who retired on April 30.

"I have myself told Dr Supachai that as a leading candidate before, he cannot decide this issue on his own. Rather, he must consult the members, particularly his supporters," Chuan said.

China's GDP may grow by 8pc this year

BEIJING, July 7: China's economy is expected to grow an annual eight per cent this year, Ye Zhen, a spokesman for the State Statistical Bureau, was quoted today as saying, reports Reuters.

"Given sound momentum in the first six months, China's gross domestic product might grow by eight per cent for the whole year," the official China Daily quoted Ye as saying.

China's economy expanded by an annual 7.8 per cent last year, powered by huge state investment financed by 200 billion yuan (\$24 billion) in bond proceeds and bank loans.

Beijing has set an economic growth target of seven per cent this year and pledged to sustain state spending to offset falling exports and flat consumer spending.

The semi-official China News Service on Monday quoted Ye as predicting China's GDP would grow by nearly eight per cent in the first half of this year.

GDP growth was 8.3 per cent in the first quarter of this year compared with nine per cent in the fourth quarter of last year.

"Both the agricultural and industrial sectors performed well in the past six months," Ye was quoted as saying.



Finn Thilsted, Ambassador of Denmark in Bangladesh, met the members of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) at the Chamber yesterday. Mahbub Jamil, President of MCCI, is also seen.

— MCCI photo

Caribbeans to form EU-style market by mid-2000

PORTE-OF-SPAIN, Trinidad, July 7: A group of Caribbean leaders have set a June 2000 deadline to form a European Union-style open market in the region, reports AP.

The Caribbean Community trade group settled on the deadline at a closed meeting Monday during its summit in Trinidad and Tobago, Barbadian Prime Minister Owen Arthur told reporters Monday night.

"We agreed that we shall have the Caribbean in position by June of next year when there will be a programme in place for the removal of the existing restrictions," Arthur said.

All 14 member countries except the Bahamas have pledged to remove barriers to money transfers, issue region-wide business permits and allow each other's citizens to work without special visas. Other changes would allow residents

to form companies anywhere in the trade group.

The Bahamas will not join the common market, saying its economy is more closely tied to the United States than the rest of the Caribbean. Its per capita income of some dls 19,000 is about six times that of Jamaica. The group's 15th member, Montserrat, is a British territory and cannot participate. Details for Haiti to join the community still are being worked out.

Despite the new deadline, officials noted countries still have not agreed on rules of competition and a system of settling trade disputes. Negotiations over a tariff system are 18 months behind schedule, partly over concerns by smaller countries that they will lose tax revenue on imports.

The trade group is proposing an average tariff of 10 per cent — slightly higher in smaller

countries heavily dependent on imports and lower in countries with many manufacturers, such as Jamaica and Trinidad.

On Sunday, the group passed a resolution meant to reassure smaller countries that unspecified "special support measures" would protect their economies.

The unified market "should translate into a rising standard of living for all our citizens," said.

Barbados' Arthur said he believes the unified market might eventually lead to a joint government — an idea other leaders reject.

"One day the Caribbean will come to the necessity that we'll have to unite politically," Arthur said. "It's something that we'll have to build popular support for. Any attempt to force political integration down the throats of Caribbean people, if they are not ready for it, is going to be ill-fated."

YANJON, July 7: Myanmars' foreign-based developing country with agriculture accounting for 35 per cent of its export value, has of late taken a series of measures to reverse the unfavourable situation in its foreign trade, reports Xinhua.

Since the outbreak of the Asian financial crisis in mid-1997, Myanmars' export sector, which is mainly based on the export of primary products, suffered great losses in foreign exchange earnings.

According to official figures released by the country's Central Statistical Organisation, Myanmars' foreign trade volume, including its border trade, amounted to 3.9615 billion US dollars in 1998, of which the import was 2.824 billion dollars while the export reached 1.1375 billion dollars. Its trade deficit was as high as 1.6865 billion dollars, 470 million

dollars more than the previous year.

The Myanmars' government has taken a series of measures to reverse this situation. First, it designates priority goods for import and exempts customs duties on the import of agricultural implements to promote agricultural development.

These goods include agricultural machinery, pesticide, fertiliser, and construction materials such as cement, steel bar, pipe, ceramic tile, iron sheet, machinery equipment, etc.

Second, the government has increased border trade points and simplified trade-related formalities to promote border trade.

Meanwhile, it shortened the period of export and import formalities from the previous one week or one month to two days.

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