

# US plan may hurt next trade round: Experts Australian newspapers roast Clinton over lamb levy

SYDNEY, July 9: Australian newspapers roasted US President Bill Clinton today over his decision to slap quotas and tariffs on lamb imports, accusing the United States of hypocrisy and protectionism, reports Reuters.

"Damn Ewe," said Sydney's tabloid Daily Telegraph above a photo-montage of US President Clinton's face superimposed on the body of a sheep. The paper accused Clinton of dumping trade liberalisation and reverting to "his base, ignoble self".

Clinton on Wednesday announced a three-year package of import relief and US\$ 100 million in assistance for US sheep farmers. The plan outraged Australia and New Zealand, two of the world's most active bulk meat traders who last year sold about \$140 million worth of lamb into the United States.

The southern hemisphere neighbours have vowed to take Clinton's measure to the World Trade Organisation, saying the plan contradicted a US push for free trade in other countries.

Australian Prime Minister John Howard is on his way to Washington for a trip scheduled before the lamb decision. He has said he was appalled at the "hypocritical" decision.

"Bill Clinton has a very unpleasant welcome gift to give John Howard when he arrives in Washington," wrote Jennifer Hewett, the Sydney Morning Herald's Washington correspondent.

The basic message behind the US administration's decision on lamb imports is that Australia's views don't carry much weight, she said.

Another Herald columnist wrote: "Put another Aussie lamb chop on the barbie... not". The barb was a reference to Australian comedian Paul Hogan's 1980s "Put another shrimp on the barbie" tourism advertising campaign in the United States.

The Herald's economic commentator Steve Burrell said the decision sent all the wrong signals ahead of the coming millennium round of World Trade Organisation negotiations.

The US decision was insulting to Australia's free trade commitment, the Australian national daily said in an editorial headed "Lamb chop no reason for roasting".



A man reads the morning tabloid which shows US President Bill Clinton's head superimposed onto the body of a sheep as the Australian media launched a bitter assault on its biggest ally, the United States, over what is seen in Australia as double standards in advocating free markets but imposing tariffs on Australian lamb, in Sydney on Friday. Australia has threatened to take the issue to the World Trade Organisation (WTO) and Prime Minister John Howard is to meet with US President Clinton in Washington next week to voice Australia's protest. —AFP photo

"No amount of breast-beating about the timing or the hypocrisy of the decision can alter the fact that Bill Clinton ultimately responded to domestic political pressures," it said.

The Australian warned that Australia was not blameless with its own concerns about imports of chickens, salmon and pigmeat.

The Telegraph's outrage even included a hint at US betrayal of Australia in helping the United States during the Vietnam War.

"Mr Clinton has demonstrated yet again that when it comes to the tough stuff he goes missing in action," the Telegraph said in an editorial.

"During the Vietnam War, when 500 Australians gave their lives to support America, Bill Clinton gave his excuses and dodged the draft," the paper thundered.

Another report from Washington says, Australia and New Zealand vowed to challenge the measure before the World Trade Organisation (WTO), saying the plan unveiled on Wednesday contradicted the US push for free trade in other countries.

Leaders of the two countries, noted the United States was hosting the first meeting of the WTO's next round of negotiations in November.

At the talks US trade negotiators plan to press the Euro-

pean Union and other trading partners to phase out farm subsidies, state-owned trading enterprises and other nontariff barriers.

But to international eyes, the US lamb duties showed Washington was just as sensitive to domestic concerns as other capitals.

"The decision will damage the prospects of an early and successful WTO trade round," Australian Prime Minister John Howard said in a statement. "This is a protectionist decision which sends precisely the wrong signal in the lead up to the Seattle ministerial meeting in November."

# EU lists ambitious wishes for next global trade talks

BRUSSELS, July 9: The European Union's executive body yesterday set out an ambitious wish list for an expected new round of global trade liberalisation talks, saying it should cover industrial tariffs, investment and competition policy, says Reuters.

The EU has been at the forefront of a push to launch the so-called "Millennium Round" at a World Trade Organisation (WTO) ministerial meeting in Seattle in late November.

On Thursday, the European Commission adopted a document setting out its priorities for the negotiations and sent it to EU governments and the European Parliament for their approval.

Presenting the document, European Trade Commissioner Sir Leon Brittan said that while not all WTO members had yet formally come out in support of a new round, it was now "highly likely" that the round would be launched in Seattle.

The United States and other most developed countries back a new round but some developing countries are lukewarm.

Brittan said the 15-nation EU should take an aggressive stance in the talks in trying to beat down barriers to trade.

"Europe has strengthened itself in recent years. We can now afford to be self-confident, to be more interested in removing the barriers that other people

put to our goods and services than in retaining the limited number of barriers that we have ourselves," he told a news conference.

The EU, sensitive to complaints that the last trade round, the Uruguay Round, dragged on for seven years, says the new round should last no more than three years.

In the 29-page document, the Commission calls for talks on reducing tariffs, removing all tariff peaks and harmonising the tariff structure of all WTO members for all industrial products.

The EU's Achilles' heel in the talks is expected to be its agricultural policies. The Cairns group, which includes big agricultural exporters such as Australia, Canada and New Zealand, regularly attacks the EU for subsidising farmers and putting up barriers to free agricultural trade.

Brittan put himself at odds with some of his EU colleagues on Thursday by acknowledging that the EU would have to make further concessions on agricultural trade in the new round.

European Farm Commissioner Franz Fischler has said farm reforms agreed by EU leaders in March would form the essential elements of the EU's negotiating mandate in the new trade round and Europe's farm lobby has vowed to

oppose further reforms.

On services, the Commission document said the EU should aim for comprehensive negotiations "with a view to obtaining more and better commitments from all WTO members on market access."

The EU document calls for negotiations in the WTO on a multilateral framework of rules on international investment.

Attempts to negotiate an investment treaty in the Organisation for Economic Co-operation and Development have broken down, and the United States has dismissed the idea of trying to reach an ambitious investment treaty in the WTO.

The EU said it also supported negotiations within the WTO on a binding framework of multilateral rules on competition.

The EU document said the new round should provide benefits for developing countries, particularly the poorest countries.

The EU has proposed that, by the end of the round, all developed countries grant duty-free access for "essentially all" products from the poorest countries.

The Commission said environmental concerns should be taken into account in the negotiations and stressed the importance of gaining public support by explaining the benefits of trade liberalisation.

# Tokyo residents fear Y2K bug: Survey

TOKYO, July 9: Tokyo residents fear the Y2K problem will mess up their credit, crash their personal computer or somehow adversely affect their lives, according to a survey by ACNielsen Japan, says AP.

About four-fifths of the respondents in the survey of 500 Tokyo men and women aged 16 to 59 believed the computer problem will hit financial institutions, hospitals and airlines.

Two-fifths believed police, fire departments, gas and water utilities will be affected. But only one-fifth of participants in the survey, which was released this week, said they've taken any steps to prepare for Y2K exigencies.

The Y2K bug occurs because many computers are programmed to recognise only the last two digits of a year — thus computers around the world could fail on Jan 1, 2000, when machines might assume it is 1900.

The survey suggests efforts by Japanese private and government institutions to prepare for Y2K have done little to console the city's roughly 12 million residents.

Respondents "have obviously heard of the Y2K bug, are concerned about it, but are not clear what will happen should it hit," Bill Pulver, ACNielsen group chief executive, said.

Under the direction of a government task force, critical industries such as finance, energy and communications will have completed preparations by September.

# UK must keep euro options open: Blair

LONDON, July 9: British Prime Minister Tony Blair said yesterday that Britain must keep its options open on whether to enter the European single currency, says Reuters.

Taking part in BBC television's "Question Time", Blair said his view was that joining the euro was a good idea but the economic conditions had to be met, and it would be "foolish" for Britain to commit itself now to joining or staying out.

"For goodness' sake let's not rule anything out and let us keep our options open," Blair said. "There are three positions on the euro, two of which in my view are foolish."

"One is to rule it out, regardless of the economic conditions,

which is effectively the Conservative position now," he said, referring to Britain's scored big wins in European parliament elections last month after campaigning on an anti-euro platform.

"The other is to go in, regardless of the economic conditions. And the third, which is my position, is to say it is a good idea, provided that the economic conditions are right for Britain," Blair said.

Blair's remarks suggested he favoured entry in principle but was not about to campaign for it yet — a position he has repeated with variations over the past month.

# S'pore economy may grow 7 pc in 2000

SINGAPORE, July 9: Singapore's economy may grow by seven per cent in 2000 if the external environment stays favourable, a central bank official said today, reports Reuters.

"Seven per cent is always possible given Singapore's track record," said Khor Hoe Ee, Senior Executive Director for Economics with the Monetary Authority of Singapore (MAS).

"The big question is whether the external environment will remain as favorable as it is right now."

He was speaking to reporters at the sidelines of a banking industry conference on Friday.

"Because the economy has gone into a slowdown, there is a lot of slack in the economy and excess capacity, so if the external demand is there, there is no reason why the economy cannot rebound very strongly," Khor said.

Khor was responding to reporters' queries on a Singapore university forecast that the city-state's economy would grow by 4.3 per cent in 1999, followed by 7.2 per cent in 2000.

The Nanyang Technological University's econometric unit said in the forecast released on Thursday that recovery would be led by manufacturing exports, with non-oil domestic exports growing 6.8 per cent in

1999 and 10.3 per cent in 2000.

The figures compare with the government's official growth forecast of zero to two per cent for this year, which is set to be revised in August.

Khor said the NTU's prediction for 1999 was also possible as consensus among economists for Singapore's 1999 growth had also shifted up.

"The consensus forecast has moved up in the course of the year... It is about 3.9 per cent," he said.

Khor warned, however, that the economy remained susceptible to relapses.

"There are patches of weakness in the economy. Construction is not fully recovered and within the financial sector, a lot of financial services are not fully recovered... Until the recovery is more broad-based there's always a risk that we may have a relapse."

He said even if the NTU forecast of more than seven per cent growth in 2000 were realised, the MAS was unlikely to change its current neutral policy stance unless it was necessary.

The central bank had said at the release of its annual report this week that it would maintain a neutral exchange rate policy stance as the Singapore economy was still operating "below potential".



A Cambodian woman flicks the excess mud off the roots as she harvests top quality rice seedlings in a small nursery paddy field in front of her house (R), east of Phnom Penh Thursday. Many other nurseries and paddy fields seedlings have decayed due to flooding and now Cambodia is well into the wet season heavy rains in many parts of the country have left numerous paddy fields submerged with resowing of seedlings a necessity. —AFP photo

# Asian bourses see more upside despite lofty profit earnings

SINGAPORE, July 9: Asia's share markets look over-extended by some measures but analysts say longer-term fundamentals argue a different case — that there's more room on the upside, reports Reuters.

Recent swift gains have generated historically high price-earnings ratios for key indices, but in most cases these are based on earnings knocked out of shape by exceptional items.

Those items relate almost entirely to the region's restructuring. It's exactly this restructuring that is expected to lead to healthier profits in 2000, and those are the earnings most analysts say justify the lofty valuations.

The market is moving up ahead of corporate fundamentals, said Jose Vistan Jr, analyst at Wise Securities in Manila, where the benchmark Philippine Stock Index is trading at a PE ratio of 25 times prospective 1999 earnings.

That compares with a ratio of around 13 at the end of 1998, based on data provided by PCCI Securities.

"Earnings are still going

down for some companies, others are still swinging to loss. The market is buying ahead to position for recovery in the corporate sector so it looks expensive PE-wise."

Most Philippine analysts expect the index, up 33 per cent so far this year, to climb another 15 per cent to around 3,000 by year-end. On Thursday it closed at 2,612.

In Tokyo, large extraordinary losses at banks which have been awash with bad loans mean that there are no official PE ratios for the financial year to March 1999, despite a 15 per cent rise in the Nikkei 225 key index between January and the end of March.

Since March, the index has raced up another 14 per cent.

"It is impossible to say that it is overvalued, although a correction at some time can't be ruled out," said Tetsuya Ishijima, chief strategist at Okasan Securities.

He sees another 8.6 per cent rise by end-1999 to 19,500, citing Japan's return to positive economic growth, favourable exchange rates for corporate

earnings and signs of strength in the recent "tankan" survey of business confidence.

On a PE basis, the ratio for Nikkei 225 index is forecast at 69.9 for the year to March 2000, more in line with an historical average PE of 77 for the five years between 1994 to 1998.

In Hong Kong, the PE suggests an overpriced market, but expectations of earnings recovery in 2000 support the index.

The Hang Seng Index is currently trading at a PE ratio of 21 times, based on Salomon Smith Barney's 1999 earnings forecasts. That compares with an average of 15.4 for the 1999 year so far, and an historical average of 14.4 for the past five years.

The market is trading at about a 50 per cent premium to its average PE, but then that is not really surprising given that we are in the through of the earnings cycle and the recovery is certainly not expected in earnings until 2000," said Anil Daswani, head of Hong Kong research at Salomon Smith Barney.

Big earnings losses in Thai-

land make forecasting PE's for the benchmark SET index difficult. Based on past earnings and Wednesday's market close, the SET index is forecast at 69.9 for the year to March 2000, more in line with an historical average PE of 77 for the five years between 1994 to 1998.

The current market reflects fundamentals," said Krit Udonjarmanee, head of research at SCB Book Club Securities. "We cannot estimate the PE ratio of the market as many stocks have posted negative ratios."

But few see the buying drying up. The SET index, which has added a weighty 42 per cent so far this year, is widely expected to climb a further 29 per cent to around 650 by year-end.

The already euro-negative background was enhanced when Germany's Finance Minister Hans Eichel stoked the selling early Thursday by declaring the euro's low level is no longer a problem and it was good for Germany's exports.

Hours later Romano Prodi, European Union Commission president and former Italian

# Dollar surges to new highs against euro

NEW YORK, July 9: The dollar climbed to a new lifetime high against Europe's single currency yesterday as traders cheered America's red-hot economy which continues to outpace more sluggish growth in the 11-bloc euro zone, says Reuters.

After a one day reprieve, new pressure mounted on the euro and forced the six-month old currency to successive lows in Asian and early US trading before the selling stopped at \$1.0149. By late afternoon, the greenback's upside energy had fizzled slightly, leaving the euro back at \$1.0200.

The euro has now lost 14 per cent of its value from the highs it reached hours after the new currency officially began trading on January 4 and traders predict the euro and dollar may soon be trading at parity.

The already euro-negative background was enhanced when Germany's Finance Minister Hans Eichel stoked the selling early Thursday by declaring the euro's low level is no longer a problem and it was good for Germany's exports.

Hours later Romano Prodi, European Union Commission president and former Italian

prime minister, echoed Eichel's comments, helping keep the negative sentiment strong.

"When the German finance minister comes out with that kind of statement it adds a bit of fuel to the fire, even if people are thinking that \$1.0150 to \$1.0180 level should be bottomish," said Vincent Amaru, chief dealer at Citibank.

US traders, often amused by European politicians' candor which contrasts with US policymakers' more cautiously phrased comments, noted however that Eichel's comments were only part of the euro's problems on Thursday.

"European bond markets are tanking and everyone is running for the exits, dumping euros along the way," a dealer at a US investment bank said, noting the situation could be described as a vicious circle because selling of German benchmark government bonds was also being attributed to the soft euro.

Earlier, Germany's September Bund future hit a new low of 107.85 while the benchmark 10-year cash yield continued to rise to its highest level in more than a year to 4.819 per cent.

# Shipping Intelligence

Berth position and performance of vessels as of 9.7.99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving		
J/1	Alpine	GI	Yang	SMSL	3/6	7/7		
J/2	Michelle	GI	Sing	MSA	12/6	15/7		
J/3	Banglar Kallol	Wheat(G)	Sing	BSC	R/A	11/7		
J/4	Bandy Esperance	GI	Sing	Litmond	30/5	10/7		
J/5	Phaethonfatt(5/7)	Sugar(G)	Durt	OWSL	18/6	12/7		
J/6	Carilhu	GI	Sing	Everett	13/6	8/7		
J/7	Vishva Prafulla	Rice(G)	GI	Mong	24/6	11/7		
J/8	Zeynep Kaptanoglu(Wheat(P)	P. Said	OWSL	3/5	11/7			
J/9	Encouragement	Sugar(G)	Maza	Litmond	20/6	14/7		
J/10	Karunta Lestari-II	Rice(P)	Kochi	PSAL	22/5	-		
J/11	Pokoj(48)	GI	Fran	Seagory	2/7	11/7		
J/12	B. Robi	Cont	Sing	BSC	6/7	10/7		
J/13	GC Teal	Cont	Sing	QCSL	3/7	9/7		
CCT/1	Banglar Biroi	Cont	Sing	Bdship	3/7	9/7		
CCT/2	Bunga Mas Lima	Cont	P Kel	EOSL	2/7	8/7		
CCT/3	Dafa	Cont	Sing	FSL	29/6	8/7		
RM/14	Humber	Cement	Jaka	AMLE	7/4	8/7		
RM/15	Sarah-1	Rice(P)	C. Clink	Thai	RMI	R/A	11/7	
CJ	Caroli	C. Clink	Thai	RMI	C. Clink	PSAL	10/6	15/7
GSJ	Al Bauraq	C. Clink	Puke	PSAL	10/6	15/7		
RM/3	Shannon	Repair	-	Litmond	R/A	12/7		
RM/4	Shannon	CDSO	-	Seacom	30/6	9/7		
RM/5	Jurong Karapu	L. Oil	Sing	ECSL	8/7	-		
RM/6	Ghonyongsan	GI	Bank	Rainbow	14/6	10/7		
DOJ	Banglar Jyoti	C. Oil	-	BSC	R/A	9/7		
DDJ/1	Tanary Star	Idle	Para	PSAL	-	-		
DDJ/2	Unity	Idle	-	SSST	17/5	8/7		
RM/8	Sea World	Repair	-	CCNL	R/A	25/7		
RM/9	Banglar Maya	Repair	-	BSC	R/A	10/7		
CULFJ	Mary Nur	Cement	Mala	BSL	25/6	8/7		
Kafco(A)	Sun-II	Idle	Turk	Rainbow	3/5	-		

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Nikie	6/7	Sing	OTBL	Scraping	-
EDMO	6/7	Sing	OTBL	-	-
Oxfriesland	7/7	Sant	Litmond	Sugar	-
Flag Investor	8/7	Sing	SMSL	-	-
Kota Singa (Cont) 28/6	8/7	Sing	Pil (BD)	Cement	Sing
Dewan-1	8/7	Sing	AML	Rice(P)	-
Teresa Prestige(48)28/6	9/7	Yang	Everett	GI(Vehi)	-
Ever Cheer(48)28/6	9/7	Sing	RML	GI (St. Coll)	-
Ultima (Cont)28/6	9/7	Sing	QCSL	Cont	Sing
Borobudur	9/7	-	Uste	Cement	Mgl
Jaya Mars (Cont)29/6	10/7	Mgl	Baridhi	Cont	Col.
Banglar Shikha (Cont)1/7	10/7	Sing	BSC	Cont	Sing
Star Glory	10/7	-	PSAL	Cement	-
Kota Naga (Cont)1/7	10/7	Sing	Pil(Bd)	Cont	Sing
QC Pintail (Cont)29/6	10/7	Sing	QCSL	Cont	Sing
Revenge	11/7	-	Sunshine	Salt	-
Jaya Venus (Cont)	11/7	Sing	RSL	Cont	Sing
Joy World (48) 5/7	11/7	-	SSLL	GI (St. Coll)	-
Kuanyin	11/7	-	Everett	-	-
Karin Cat(48)28/6	12/7	-	Everett	GI (D Cargo)	-
Buxmond (Cont) 5/7	13/7	Sing	QCSL	Cont	Sing
Bunga Mas Lapan (Cont)5/7	14/7	P. Kel	EOSL	Cont	Sing
QC Mallard (Cont) 5/7	14/7	Sing	QCSL	Cont	Sing
Banglar Gourab	14/7	Kara	BSC	GI/Rice	-
Jourong Blasam(Cont)1/7	16/7	Sing	Nol	Cont	Sing
Banga Biraj (Cont) 4/7	16/7	Sing	Bdship	Cont	Sing
Banglar Moni (Cont)6/7	16/7	Sing	BSC	Cont	Sing
Kota Cahaya (Cont)6/7	17/7	Sing	Pil(BD)	Cont	Sing
Xpress Resolve (Cont) 4/7	19/7	Sing	RSL	Cont	Sing
Roro Sian(Roro)24/11/7	21/7	Hochi	JF	Vehi	-
Pericles	10/7	Sant	Litmond	Sugar(G)	-

Tanker due

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Mekhanik Vraskov	-	Juba	ECSL	HSD

Vessels at Kutubdia

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Energy Explorer-IV	-	-	BBAL	5/4
Seabulk Command	-	-	IBS	R/A(5/7)
Seabulk Eagle	-	-	-	R/A(5/7)

Vessels at outer anchorage

Name of vessels	Cement	Local agent	Date of arrival
BUTI	Cement	ABLE	R/A(30/6)
Ocean Prity	Cement	Tanj	USTC
Xing Cheng	GI	Tanj	Bdship
Leona	GI	Busa	Prog
Erkan Mete	Mop	Ucrane	Litmond
Youngly	C. Clinic		