

# US-China trade talks resume

BEIJING, July 27: Despite lingering tensions over the NATO bombing of the Chinese Embassy in Yugoslavia, US Deputy Secretary of Commerce David Aaron met with senior Chinese officials Tuesday for talks on opening China's markets to more US companies, says AP.

China's invitation to Aaron reflects a gradual softening of acrimony over the May 7 bombing, which prompted Beijing to suspend talks with Washington on human rights, security issues and its 13-year effort to join the World Trade Organisation.

His visit follows one last week by US Assistant Secretary of State Stanley Roth, who met Chinese officials to discuss Taiwan and to prepare for a meeting between Secretary of State Madeleine Albright and Foreign Minister Tang Jiaxuan in Singapore over the weekend. Aaron's day-long visit has raised hopes for a resumption

of stalled talks on China's WTO bid. "I think this invitation on the part of the Chinese is a positive step that we hope will create a better atmosphere for the other decisions they need to make concerning WTO," Aaron said in an interview Tuesday.

China has set a year-end deadline for joining the organisation, which sets rules for world trade, a goal Aaron said was "by no means impossible." Aaron said he would present to the Chinese a proposal by Commerce Secretary William Daley for a meeting of a bilateral forum, the Joint Committee on Commerce and Trade, in the autumn.

Prior to the bombing, the two sides had made progress on a wide range of market access issues. Aaron acknowledged, however, that there have been delays in implementing earlier agreements, including long sought-after licenses for two US

insurance firms and for allowing investment in digital phone technology called CDMA, or Code Division Multiple Access networks.

"You just have to keep pushing," he said.

Aaron's meetings with Minister of Foreign Economic Relations and Trade Shi Guangsheng and other senior officials are taking place amid signs that China's trade surplus with the United States is worsening due to an economic slowdown that has cut demand for US exports, Aaron said.

Last year, China posted a \$57 billion trade surplus with the United States, second only to Japan's \$64 billion surplus.

Aaron was to fly to Korea later Tuesday for talks on market access in such industries as steel, pharmaceuticals and autos and to assess South Korea's economic reforms.

As regional financial markets recover from last year's

crisis, there were signs that the momentum behind those reforms has flagged.

The bailout by creditors last week of the ailing Daewoo conglomerate, which narrowly escaped becoming South Korea's largest-ever bankruptcy, showed the region can not afford to back off from painful reforms, Aaron said.

The final leg of Aaron's trip takes him to Tokyo, where he plans to push the Japanese to do more to open its construction market, as well as seek progress on flat glass, autos, medical equipment, pharmaceuticals and electronic commerce.

Pointing to a US share of only \$50 million out of Japan's \$250 billion construction market, US officials contend that Japan has failed to carry out on pledges to open that colossal market.

Tokyo, Aaron said, "doesn't follow through on agreements... We won't put up with it any more."

## ASEAN states ask for more US investment

SINGAPORE, July 27: Southeast Asian nations implored the United States on Tuesday to act quickly and provide much-needed aid and investment for Asia's economic revival, saying support from America was crucial for regional recovery, says AP.

Foreign ministers from the 10-member Association of Southeast Asian Nations met with a US delegation headed by Secretary of State Madeleine Albright.

"Speaking for ASEAN, I wish to seek cooperation and support in encouraging more American businesses to participate in the economic growth of the region," Malaysian Foreign Minister Syed Hamid Albar said to Albright.

Syed Hamid devoted his entire opening speech to the aid plea, saying time was running out.

"It is my sincere hope that

today's exchange of views on this matter would mark the beginning of a meaningful and productive dialogue relationship... between ASEAN and the US as we enter the new millennium," he said.

Asia's trade with the United States contracted by 10 per cent following the regional crisis that hit in 1997, Syed Hamid said.

Although the United States remains a major investor in ASEAN, its investment in some of the region's hardest-hit economies — Indonesia, Malaysia, the Philippines, Thailand and Singapore — amounted to only \$4.9 billion in 1998, or 4 per cent of total US foreign direct investment, he said.

"We, therefore, call upon more US investors to objectively consider ASEAN countries as potential profit centers."

## Exchange Rates

| American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies |                 |            |                   |                             |                    |  |  |  |  |
|--|-----------------|------------|-------------------|-----------------------------|--------------------|--|--|--|--|
| Currency   | Selling TT & OD | Selling BC | Buying T.T. Clean | Buying OD Sight Export Bill | Buying OD Transfer |  |  |  |  |
| US Dollar  | 49.7300         | 49.7700    | 49.3200           | 49.1570                     | 49.0850            |  |  |  |  |
| Pound Sg   | 79.4288         | 79.4266    | 78.2314           | 77.9728                     | 77.8686            |  |  |  |  |
| Deutsche Mark  | 27.5293         | 27.5155    | 26.5368           | 26.4330                     | 26.3943            |  |  |  |  |
| Swiss Franc  | 33.1865         | 33.2132    | 32.6731           | 32.5651                     | 32.5174            |  |  |  |  |
| Japanese Yen   | 0.4292          | 0.4295     | 0.4216            | 0.4203                      | 0.4196             |  |  |  |  |
| Dutch Guilder  | 24.4327         | 24.4524    | 23.5518           | 23.4597                     | 23.4254            |  |  |  |  |
| Danish Krona   | 7.1811          | 7.1869     | 7.0175            | 6.9944                      | 6.9841             |  |  |  |  |
| Australian \$  | 32.6627         | 32.6889    | 31.3823           | 31.2786                     | 31.2328            |  |  |  |  |
| Belgian Franc  | 1.3347          | 1.3358     | 1.2866            | 1.2816                      | 1.2797             |  |  |  |  |
| Canadians \$   | 33.2687         | 33.2954    | 32.3304           | 32.2235                     | 32.1763            |  |  |  |  |
| French Franc   | 8.2083          | 8.2149     | 7.9123            | 7.8814                      | 7.8698             |  |  |  |  |
| Hong Kong \$   | 6.4201          | 6.4253     | 6.3418            | 6.3205                      | 6.3116             |  |  |  |  |
| Italian Lira   | 0.0278          | 0.0278     | 0.0268            | 0.0267                      | 0.0267             |  |  |  |  |
| Norway Kroner  | 6.3920          | 6.3972     | 6.2876            | 6.2688                      | 6.2576             |  |  |  |  |
| Singapore \$   | 29.8948         | 29.9188    | 28.8352           | 28.7395                     | 28.7373            |  |  |  |  |
| Saudi Rial   | 13.2971         | 13.3078    | 13.1142           | 13.0709                     | 13.0517            |  |  |  |  |
| UAE Dirham   | 13.5770         | 13.5880    | 13.3909           | 13.3466                     | 13.3271            |  |  |  |  |
| Swedish Krona  | 6.0367          | 6.0415     | 5.9616            | 5.9419                      | 5.9332             |  |  |  |  |
| Catalanirval   | 13.7027         | 13.7138    | 13.5116           | 13.4669                     | 13.4472            |  |  |  |  |
| Kuwaiti Dinar  | 168.5763        | 168.7119   | 166.1748          | 165.6656                    | 165.4307           |  |  |  |  |
| Thai Baht  | 1.3366          | 1.3377     | 1.3238            | 1.3195                      | 1.3175             |  |  |  |  |
| Euro   | 53.8427         | 53.8660    | 51.9014           | 51.6984                     | 51.6227            |  |  |  |  |

| TT Doc  | 30 Days | 60 Days | 90 Days | 120 Days | 180 Days |
|---------|---------|---------|---------|----------|----------|
| 49.2112 | 48.9030 | 48.4980 | 48.0870 | 47.6760  | 46.8540  |

| Buying | Selling | Currency | 1 Month | 3 Months | 6 Months | 9 Months | 12 Months |
|--------|---------|----------|---------|----------|----------|----------|-----------|
|--------|---------|----------|---------|----------|----------|----------|-----------|

|         |         |      |        |        |        |        |        |
|---------|---------|------|--------|--------|--------|--------|--------|
| 49.0850 | 49.7300 | USD  | 5.1800 | 5.3125 | 5.6400 | 5.7035 | 5.8165 |
| 77.8686 | 79.4288 | GBP  | 5.1916 | 5.2181 | 5.4258 | 5.5035 | 5.6697 |
| Cash/TC | Cash/TC | Euro | 2.8270 | 2.8438 | 2.9412 | 3.0000 | 3.0948 |

| Exchange rates of some Asian currencies against US dollars |           |           |                   |                   |            |  |  |
|--|-----------|-----------|-------------------|-------------------|------------|--|--|
| Indian Rupee   | Pak Rupee | Thai Baht | Malaysian Ringgit | Indonesian Rupiah | Korean Won |  |  |

|        |        |        |        |      |        |  |  |
|--------|--------|--------|--------|------|--------|--|--|
| 43.300 | 51.430 | 37.190 | 3.7995 | 6965 | 1203.0 |  |  |
| 43.310 | 51.530 | 37.240 | 3.8005 | 6975 | 1203.9 |  |  |

**Amex notes Tuesday's market**  
The USD/BDT market is likely to remain dull for some time to come. The market is liquid in USD, and the demand for USD has not increased for the past two weeks. Despite strong support from the market makers at 49.65, the USD/BDT rates are locked between 49.6000-49.6500 level. Unless the demand for USD increase or the liquidity of the interbank dries up, the rates are likely to stay in the same level. The call rates have fallen below 6 per cent because of excess BDT liquidity. The market rates ranged between 5.10-6.00 per cent.

The dollar faltered against the yen by late Tokyo on Tuesday after an early upside test failed to drive it decisively above 117.50 yen due to an absence of dollar-supporting intervention by the Bank of Japan. The persisting uncertainty in US asset markets and recent convincing recovery in European currencies have made operators cautious about increasing their dollar long positions. Seeing the limited recovery in dollar/yen, market makers sense eagerness in the market to test it down further. The assumption is that it's a matter of time for the market to test the dollar down towards a low of 115 yen. Meanwhile, Vice Finance Minister for International Affairs Haruhiko Kuroda said there was no change in Japan's foreign exchange policy after the dollar fell below 116 yen.

Euro's attempt to extend its recovery rally against the dollar was sidetracked on Tuesday by a report that Bundesbank President-designate Ernst Welteke did not want the single currency to be too strong and that a strong Euro would hurt exports. The Euro, which had been edging back up toward Monday's two month highs above \$1.07, dropped, nearly a full cent after Welteke's remarks in a German newspaper, even though market saw the setback as temporary phenomenon and the bias is still for euro/dollar to push a little bit higher.

Sterling fell against dollar in early Europe following drop of 2/3 cent in euro/dollar after Bundesbank's Welteke's comment.

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