

APEC gets focused on regional row as free trade talks stall

TOKYO, Sept 6: Now that some Asian countries are starting to recover from their two-year slump, the coming week's summit of Pacific Rim nations is expected to focus more on regional frictions than economic matters, says AP.

US President Bill Clinton for one, will be working on improving US-China relations, easing tensions between China and Taiwan and coordinating efforts to contain North Korea.

The Sunday meeting in Auckland, New Zealand, is not expected to produce progress toward a consensus among the 21 nations of the Asia-Pacific Economic Cooperation forum on ways to broaden world trade.

Trade was the issues that snagged the group's summit last year in Malaysia, when Japan blocked an ambitious free-trade agreement by refusing to cut or scrap tariffs in two of nine areas — fish and wood products.

The 1998 session also was marred when Malaysians staged anti-government protests, and then the Americans enraged the host government by sympathising with the demonstrators.

This year's meeting is likely to be low-key when the participants discuss differences over trade.

"Until the Asian economic crisis, there was euphoria about Asian economic development. Now the nations have major doubts about the benefits of trade liberalisation," said a Japanese Foreign Ministry official, Makio Miyagawa. "To answer such fears is key to APEC."

Some Asians suspect the goal of reducing or eliminating tariffs would primarily benefit wealthy industrial nations like the United States, which is seeking to increase its exports.

Malaysian Prime Minister Mahathir Mohamad, who has shielded his country's economy with capital controls that run counter to the West's free-trade philosophy, has decided to skip the summit. And that removes the region's loudest advocate of restrictions on global financial markets.

The real battleground over trade will be a World Trade Organisation meeting in Seattle beginning Nov 30, where the 134 member nations will discuss rolling back barriers to trade in an effort to boost international prosperity.

In Auckland, officials will "define issues that APEC will raise when WTO meets," said the Philippines' trade secretary, Jose Pardo.

A Reuters report from Auckland says: Following are key issues likely to be discussed by leaders, ministers and officials at the Asia-Pacific Economic Cooperation (APEC) meetings. Leaders meet September 12 and 13, ministers September 9 and 10.

APEC issues
APEC as a unified bloc at the World Trade Organisation.

APEC leaders will be looking to send a clear message to the WTO third ministerial meeting due to convene in Seattle on November 30 to start a new round of world trade negotiations.

APEC has the opportunity to

provide a clear signal to the WTO on what these negotiations should cover, how long they should take and whether the approach should be one of a single undertaking where nothing is agreed until everything is agreed.

APEC trade ministers in June agreed that the next WTO talks should include industrial tariffs in addition to tariffs on agriculture and services which are to be negotiated.

Strengthening markets
APEC leaders will be asked to endorse a set of competition and regulatory principles drawn up by APEC senior officials. The principles will stress the need for markets to be open, transparent and well-governed, and would recognise the need to work through the domestic policies of APEC member economies.

The package would also aim to provide a formula or "tool kit" of policies that APEC members can draw from. Leaders will also discuss what role economic and technical cooperation can play in building APEC members' capacity to implement domestic reform.

Trade facilitation
Trade facilitation measures aim to reduce unnecessary government interference in trading operations outside the area of tariffs to reduce business transaction costs.

The APEC Business Advisory Council (ABAC) has said that many of these transaction costs are incurred through difficulties arising from incompatible domestic regulatory

processes, lack of clarity in administrative procedures and a general lack of transparency. APEC has trade facilitation programmes under way in areas such as standards and conformance, customs procedures, government procurement and intellectual property.

Fast-track trade liberalisation
APEC trade ministers in June agreed that the tariff elements of the remaining six sectors selected for fast-track trade liberalisation — oilseeds, food, rubber, fertiliser, civil aircraft and the automotive sector — should be folded into WTO negotiations from later this year.

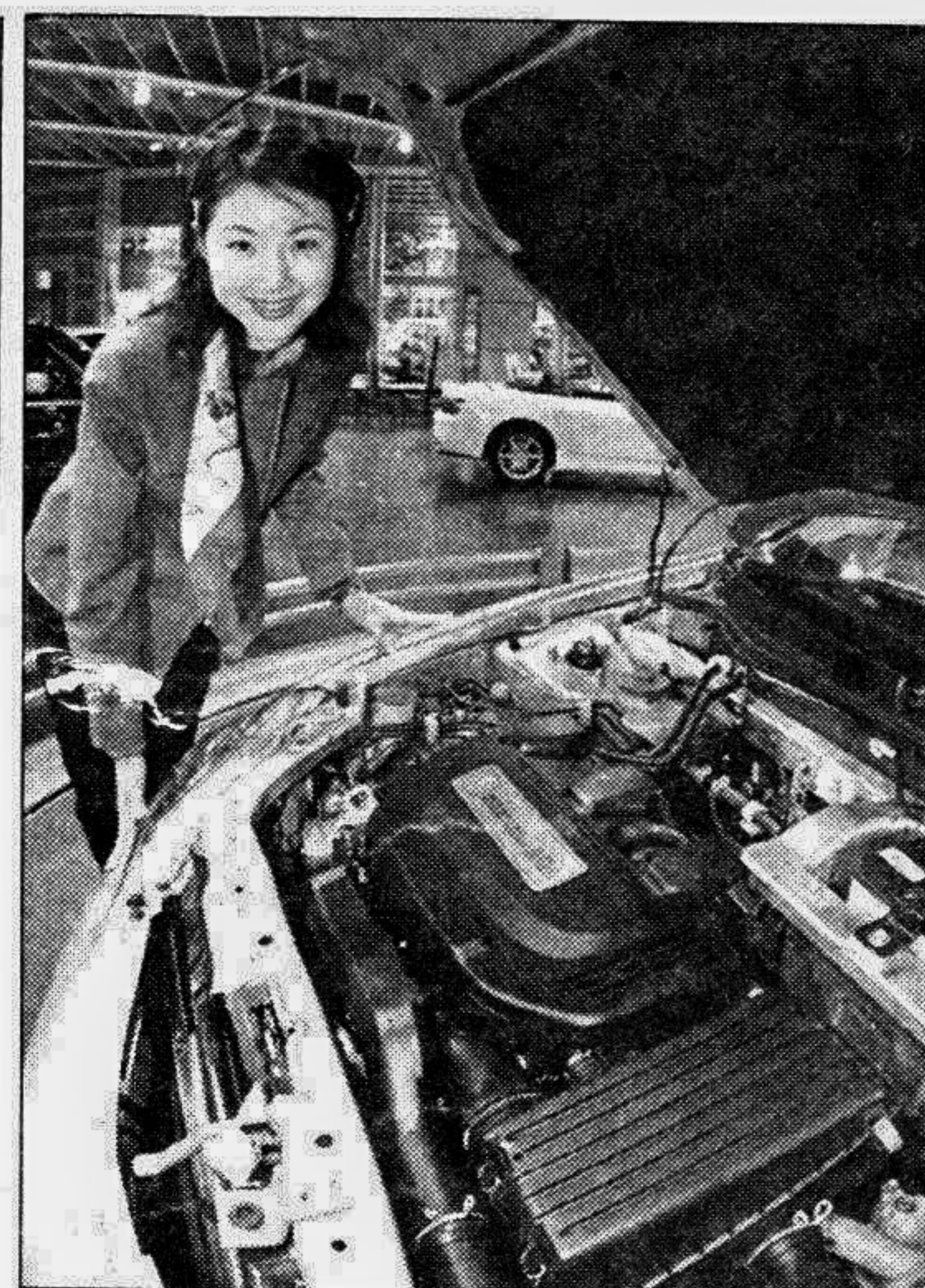
They are among 15 sectors APEC leaders targeted in 1997 for removal of tariff and non-tariff barriers, in developed nations by 2010 and developing nations by 2020.

Private sector advice on the food system

The proposal from ABAC is for a more robust regional food system that efficiently links food producers, processors and consumers. It would involve cooperative action in rural infrastructure development, dissemination of technological advances and promotion of trade in food products.

Individual action plans

The United States, Japan, Australia, the Philippines and Brunei have submitted for peer review their individual action plans for achieving trade liberalisation.



Honda employee Yuko Aoyama shows off the engine of their new hybrid vehicle Insight at the company's headquarters in Tokyo Monday. The aluminum-bodied Insight, equipped with the new ultra-low fuel consumption 1.0-liter gasoline/electric hybrid engine, achieves the world's lowest fuel consumption of 35km per liter. Honda will put it on the domestic market from November with a price of 2.1 million yen (19,000 USD) and will start exporting the car from next year.

— AFP photo

India unwilling to export foodgrains

CALCUTTA, Sept 6: India was not interested in exporting foodgrains despite the excess buffer stock of eight million tonnes this year, Union Food Secretary MD Asthana said yesterday, reports PTI.

The country was not interested to go for export because of a declining trend in prices at the global market, Asthana told newsmen at the airport here.

The condition of domestic market for foodgrains was much better in this regard, he added.

Asthana said the country had a buffer stock of foodgrains to the tune of about 82 million tonnes—22 million tonnes of wheat and ten million tonnes of rice. Internal consumption was to the tune of about 24 million tonnes.

The food secretary said that till now there were encouraging reports about kharif crop production in the country.

The procurement target for kharif crop, particularly the paddy, had been set at 14/15 million tonne figure, he said adding reports of favourable crop production has been received from different parts of Orissa, Haryana and West Bengal.

S African govt, unions begin wage talks

JOHANNESBURG, Sept 6: The South African government on Monday began talks with 12 public sector unions demanding higher pay for more than one million state employees, says Reuters.

"We are preparing to meet now and will be able to reveal the outcome of the negotiations later today," Nolutando Sibiyi, a spokesperson for the unions, told Reuters.

Monday's talks came after negotiations between government and the unions broke down last Thursday.

The unions, which mainly represent teachers, nurses, the police and judicial officials, had demanded the talks focus on revising the government's unilateral wage offer instead of a future wage policy framework and public sector restructuring.

Last month, the government imposed a 6.3 per cent wage hike, prompting more than 500,000 public servants to stage South Africa's biggest strike since the end of apartheid in 1994.

String of nines on calendar no threat to computers

LONDON, Sept 6: Stand by for another dud millennium computer bug warning, says Reuters.

Thursday, September 9 may be represented as 9999 on many computer software programmes. In theory this string of nines might disrupt systems and provide a preview of the millennium bug chaos predicted when computer clocks click over into the next century at midnight on December 31, 1999.

Many programmes on old computer systems, dating mostly from the 1960s used bunches of nines to instruct a computer programme to shut down, or prepare for maintenance.

So the theory is that on Thursday, computers will come across a series of nines and grind to a halt, throwing a spanner into the works of a huge range of businesses from banking to electricity generation and car manufacturing.

You can relax, for the next 100-odd days at least.

Experts say there is almost

no chance that 9/9/99 will have any impact at all.

The reality is that 9/9/99 is one of the persistent myths of the year 2000 problem. It's not quite a unicorn, not quite 100 per cent mythical, we've only been able to identify two instances of 9/9/99 coding in extremely obscure systems," said Andy Kyte, analyst with the US information technology research company Gartner Group ITN.

This looks like becoming another example of a warning of computer chaos that fails to materialise.

So far this year trigger-date warnings which turned out to be firing blanks have included April 9, 1999 — the 99th day of the year, January 1, 1999 was supposed to be a danger because many contracts, insurance policies and loans would reach ahead one year and trigger the millennium bug.

Before the Dow Jones Industrial Average burst through 10,000 earlier this year, some experts said computer programmes might be unable to

handle the fifth digit in 10,000 correctly.

Either the figure generated very little chaos, or companies and organisations did a great job suppressing bad news.

The popular navigation tool, the satellite-based Global Positioning System, reset its computer clock late last month. Although not strictly a Y2K problem, it was heralded as a threat to light planes and yachts. In the event only a few Japanese taxi drivers using computerised maps apparently had any problems.

But Kyte worries that this string of non-events may induce a fatal degree of complacency ahead of a very real problem at midnight on December 31.

"This is not going to cause a significant number of failures or breakdowns. But it may well reinforce the complacency of those that currently should be acting to deal with the real year 2000 issues," Kyte said.

The year 2000 (Y2K) computer bug problem stems from the once common programme practice of using only two digits,

ROK banks to run 3 Daewoo units

SEOUL, Sept 6: Korean creditor banks decided on Monday to directly run three of the 12 Daewoo Group DWGR, CN units put under a debt rescheduling programme in order to keep the group's troubles from spreading through the overall economy, says Reuters.

The decision was announced by the Financial Supervisory Commission after meeting Daewoo's major local creditor banks as the troubles at some of the debt-laden business conglomerate's units showed signs of contagion.

"[The commission and banks] have decided to put the three companies under management by banks after taking into account their scale and importance," the commission's spokesman Kim Yong-jae told reporters.

The decision is aimed at promoting the workout package more determinedly," he said, clarifying earlier remarks on Monday that 10 companies would be managed by banks. He said the three companies

were Daewoo Heavy Industries 00200 KS, Daewoo Telecom 05060 KS and Daewoo Electronics 07410 KS. He did not explain why he had earlier said creditor banks would run 10 Daewoo affiliates.

The three companies, along with Daewoo Motor Co and Daewoo Corp 03510 KS, are the core units of the group, whose financial crisis has some worried about a fresh time bomb in an economy that is one the road to recovery from the 1997 debt crisis.

Kim said Daewoo Corp and Daewoo Motor would be treated differently from the other 12 firms under the workout programme because Daewoo Chairman Kim Woo-chong promised he would personally complete restructuring the two firms.

The two companies are also engaged in investment or asset sale negotiations with a US investment fund for Daewoo Electronics and with General Motors Co GM N for Daewoo Motor.

FDI in Japan seen buoying yen

TOKYO, Sept 6: Foreign direct investment in Japan will keep growing at a healthy rate in the coming months, keeping the yen on a firm footing as foreign firms look to buy into the Japanese restructuring story, analysts say, reports Reuters.

Although direct investment by overseas firms is likely to cool compared with rapid growth in the first half of this year, recent falls in investment costs, growing signs that local firms are serious about restructuring and a series of deregulation steps will continue to attract foreign investors, they said.

"We may not see such a dramatic rise in direct investment in the second half of the year," said Mitsumaru Kumagai, senior market analyst at Industrial Bank of Japan. "But foreigners' direct investment will stay on an upward trend. That should support the yen."

Finance Ministry data showed that FDI surged to 1.23 trillion yen (\$11.15 billion) in the first six months of the year, compared with 417.9 billion yen for the whole of calendar 1998, itself an annual record.

"We acknowledge that major deals took place during the January-to-June period. We believe that was a factor behind the rise (in FDI)," a MOF official said.

The official declined to comment on whether the trend would continue.

Among the deals, Renault SA and Nissan Motor Co in March inked a tie-up worth 643 billion yen in which the French car maker took a 36.8 per cent stake in Nissan Motor.

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	49.3000	49.1570	49.0850
Pound Sg	80.1498	80.2143	79.9712	79.7102	79.5949
Deutsche Mark	27.3107	27.3326	26.3198	26.2168	26.1784
Swiss Franc	33.0586	33.0852	32.5545	32.4469	32.3993
Japanese Yen	0.4567	0.4571	0.4485	0.4470	0.4464
Dutch Guilder	24.2387	24.2582	23.3692	23.2679	23.2338
Danish Krona	7.1297	7.1355	6.9881	6.9450	6.9349
Australian \$	32.5732	32.5994	31.2335	31.1901	31.1444
Belgian Franc	1.3241	1.3252	1.2761	1.2711	1.2692
Canadian \$	33.7015	33.7287	32.7488	32.6386	32.5908
French Franc	8.1431	8.1496	7.8476	7.8169	7.8055
Hong Kong \$	6.4169	6.4220	6.3385	6.3176	6.3084
Italian Lira	0.0276	0.0276	0.0266	0.0265	0.0264
Norway Kroner	6.3610	6.3661	6.2355	6.2358	6.2357
Singapore \$	29.8320	29.8500	28.9759	28.7804	28.7383
Saudi Rial	13.2982	13.3089	13.1153	13.0719	13.0528
UAE Dirham	13.5774	13.5883	13.3905	13.3463	13.3267
Swedish Krona	6.0712	6.0761	5.9566	5.9577	5.9570
Oman Riyal	13.6971	13.7081	13.5068	13.4621	13.4424
Kuwaiti Dinar	169.2072	169.3433	166.7207	166.2027	165.9739
Thai Baht	1.2848	1.2869	1.2716	1.2674	1.2656
Euro	53.4150	53.4580	51.4770	51.2757	51.2006

Bill buying rates				
TT Doc	30 Days	60 Days	90 Days	120 Days
49.2112	48.9090	48.9890	48.0870	47.6760

US Dollar London Interbank Offered Rate (LIBOR)									
Buying (\$)	Selling (\$)	Currenc	1 Month	3 Months	6 Months	9 Months	12 Months		

49.0850	49.7300	USD	5.38125	5.2750	5.96625	5.98500	6.10000		
76.5949	80.1498	GBP	5.07000	5.227334	5.69625	5.73281	5.92703		
Cash/TC	Cash/TC	EUR	2.60000	2.69625	3.09875	3.18125	3.28750		

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.47/5	51.50/	38.680/	3.7995/	8070/	1192.5/
43.482/	51.70/	38.720/	3.8005/	8150/	1193.0/

Amex notes on Monday's market
Market is still testing the strong support level at 49.50 as the USD/BOT rates remained at 49.50/55 level. The rates are expected to stay in the same level because of USD liquidity of the market.

Call rates went up from the last three weeks level of 6-6.5 per cent to 6.7-7.2 per cent level. This level is expected to be steady over the coming week but the rates may also go up a little in the remaining days of the week. T-bills auction held on September 5, 1999 showed the Government accepted 8218 million BDT in total. Payment of these T-bills will be made on September 6, 1999.

The dollar was down against the yen in late afternoon Tokyo on Monday, but it pared earlier losses amid lingering expectations of possible yen-selling intervention by the Bank of Japan (BOJ). After seeing the dollar gain on Friday on US asset market rally, some foreign players took the opportunity to bargain-hunt the yen. Their appetite for the yen still seemed strong on expectations of a further economic recovery in Japan. The dollar was also indirectly weighed down by selling of euros against the yen by Japanese life insurers. Market was also worried about pushing the yen up too aggressively before the release on Thursday of Japan's gross domestic product (GDP) data for the April-June quarter. Market makers believe that April-June GDP would dip 0.3 per cent from the January-March quarter, which saw a 2.0 per cent jump. The data itself might not provide a surprise, as government officials have already given a lot of hints as to what to expect.

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At around 05:17 GMT, major currencies closed against USD at 109.55/109.65 JPY, 1.5061/1.5075 CHF, Euro at \$1.0608/1.0611 GBP at \$1.6032/1.6037.

Shipping Intelligence

CHITTAGONG PORT
Berth position and performance of vessels as on 06.09.99

Berth No	Name of vessels	Cargo	L Port	Local agent	Date of arrival	Date of leaving
J/1	Althea	G	Osaka	Prog	26/8	12/9
J/2	Annika	Wheat(G)	P Said	Ancient	29/8	8/9
J/3	Yohfu	Wheat(P)	Kochi	Total	26/8	15/9
J/4	Handy Silver	Wheat(P)	P Sing	MSA	17/8	10/9
J/5	Jim Cheng	G	P Kel	BDShip	2/9	12/9
J/6	Gold Mekong	G	Jaka	Everett	5/9	
J/7	Delight Glory	G	Chn	Seacom	18/8	8/9
J/8	Banga Biraj	Cont	Sing	BDShip	4/8	7/9
J/9	Thor Spirit	G	Mad	Oil	22/8	6/9
J/10	Ken Zul	Wheat(P)	BRIS	RSA	22/8	15/9
J/11	Lian Hui No 1	G	Sing	RML	30/8	
J/12	Eliza	Cont	P Kel	EOSL	3/9	8/9
J/13	Bunga Mas Lapan	Cont	P Kel	EOSL	3/9	8/9
CCT/1	Jurong Balsam	Cont	Sing	Nol	3/9	9/9
CCT/2	Kota Naga	Cont	Sing	Pil(Bd)	2/9	6/9
CCT/3	Revenge	G	MumbSunshine	3/8	7/9	
RM/14	APJ Anand	C Click	Sing	Apex	18/8	8/9
GSJ	Youngly	Idle	PSAL	R/A(20/5)	10/9	
TSP	Navigator	R Phos	Nanj	Seacom	15/8	9/9
DD	Phaethon	Repair	Durb	OWSL	10/6	15/9
RM/8	Banglar Maya	Repair		BSC	R/A	16/9
RM/9	Banglar Urmi	Repair	Mong	BSC	31/8	8/9
CUFL	Flag Investors	Cement	Lank	BSL	10/8	8/9
CAFO(U)	Sea World	Urea		CCNL	R/A(26/11)	7/9

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L Port	Local agent	Cargo	Loading port
Banglar Moni (Cont)22/8	7/9/99	Sing	BSC	Cont	MGL
Banglar Shikha (Cont)25/8	6/9/99	Sing	BSC	Cont	B/Sing
Sin Hai (Cont) 25/8	9/9/99	Sing	RSL	Cont	B/Sing
Jaami (48)12/8	10/9/99	Cal	Royal	GI(St Coll)	-
Ancora	6/9/99	Sing	Simmi	For Strapping	-
Apeopols	6/9/99	Sing	Cyp	Cement	-
Kota Chahaya (Cont)29/8	6/9/99	Sing	Bil(Bd)	Cont	L/Sing
QC Mallard (Cont)29/8	7/9/99	Sing	QCCL	Cont	L/Sing
Achiever (Cont) 30/8	7/9/99	Sing	RSL	Cont	L/Sing
Bunga Mas Lima (Cont)24/8	7/9/99	P Kel	EOSL	Cont	L/Sing
San Sebastian	7/9/99	Santos	Seacom	Sugar(G)	-
Ultima (Cont)29/8	7/9/99	Sing	QCCL	Cont	L/Sing
Kochi Ace (48)26/8	8/9/99	Yang	Everett	GI	-
Hawaiian King	7/9/99	Sing	OTBL	Inballast	-
Xpress Resolve (Cont)30/8	9/9/99	Sing	RSL	Cont	L/Sing
Tiger River(Cont)30/8	9/9/99	Sing	Nol	Cont	L/Sing
Al Bauraq	9/9/99		Uniship	Cement	-
Nikolay Malakhov	9/9/99		MSA	GI(Pear)	-
Confidence (Cont) 30/8	28/9/99	Sing	RSL	Cont	L/Sing
Martina	15/9/99	Mong	SMSL	Repairing Survey	-
Karunia Pacific	15/9/99	Pada	SMSL	Cement	-
Sarah-1	10/9/99	Yang	SMSL	GI	-
Banglar Robi(Cont)31/8	10/9/99	Sing	BSC	Cont	L/Sing
Banga Birol(Cont)29/8	10/9/99	Sing	Bdship	Cont	L/Sing
Banglar Gourab	11/9/99	Kochi	BSC	Rice(P) 1340	GI
Xpress Makalu (Cont)31/8	12/9/99		Baridhi	Cont	L/Sing
Jaya Marsi(Cont)5/9	12/9/99		Baridhi	Cont	L/Col
Kota Berjaya(Cont)5/9	12/9/99	Sing	PI (Bd)	Cont	L/Sing
Danshi	13/9/99		Everett	Spl. Cargo	-
Bunga Mas Enam (Cont)5/9	13/9/99	P Kel	PI(Bd)	Cont	L/Sing
Kota Singa (Cont)5/9	14/9/99	Sing	QCCL	Cont	L/Sing
QC Teal (Cont)5/9	14/9/99	Sing	PI(Bd)	Cont	L/Sing
Ivory Ace(Roro)24/30/8	16/9/99	Yoko	JF	Veht	-
San Bruno(Roro)24/30/8	25/9/99	P Kel	JF	Veht(32 Pkts)	-