

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 weekend'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 by 2020.

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.

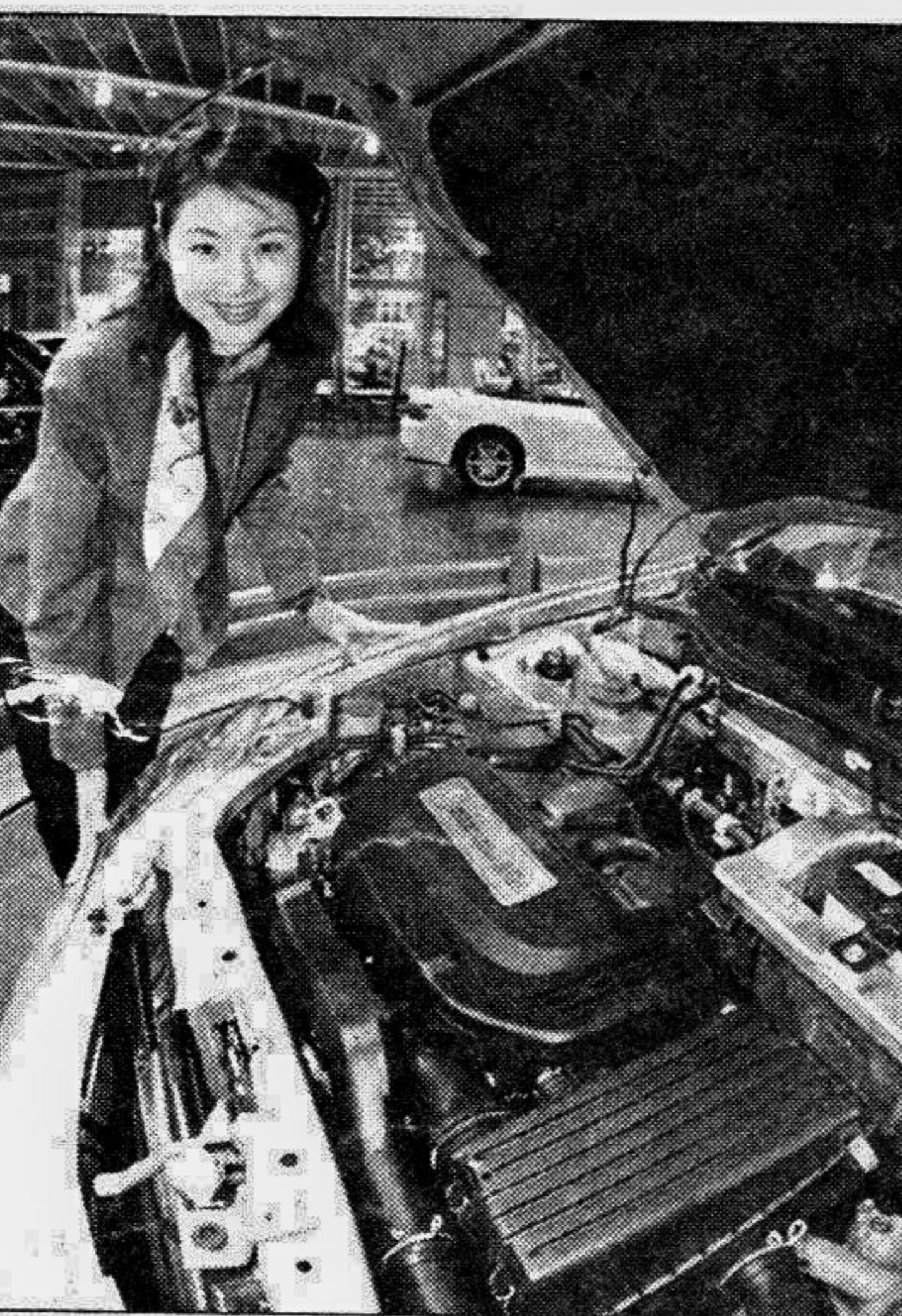
They are among 15 sectors APEC leaders targeted in 1997 for removal of tariff and non-tariff barriers, in developed nations by 2010 and developing nations by 2020.

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 1 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 32 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.

The procurement target for kharif crop, particularly the paddy, had been set at 14/15 million tonne figure, he said adding reports of faurable 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," Nolutsho Sibiya, 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.

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 1000 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 programme practice of using only two digits,

handle the fifth digit in 10,000 correctly.

Either the figure generated very little chaos, or companies and organisations had a great suppression of 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 three companies, along with Daewoo Motor Co and Daewoo Corp 03810, 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-choong 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.

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.

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"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 Young-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

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 (\$11.18 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.

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