Japan trade official says

Indochina countries must build market economies

SINGAPORE, Oct 3: New members of the Association of Southeast Nations — Cambodia, Laos, Myanmar and Vietnam — need to build their market economies in order to speed up development, a Japanese trade official said Saturday, reports AP.

"It is essential that these countries be supported in their transition to market economies," said Hisamitsu Arai, Japan's vice minister of international trade.

Arai was speaking on the last day of a five-day series of meetings in Singapore in connection with the annual ASEAN Economic Ministers Meeting held Thursday.

The new ASEAN member countries "are still on the way to economic development, and need to move forward with the institution of market economies as platforms for development," Arai said, adding that Japan intends to help with development and infrastructure projects.

He also raised the possibility of an investment agreement between ASEAN and Japan, and discussed boosting industrial cooperation.

But in order to make Japan's support effective, there would have to be "Stronger liaison" with other development programmes in the region and with international institutions such as the Asian Development Bank, Arai said.

The original ASEAN members were Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Vietnam joined the grouping in 1995, followed by Laos and Myanmar in 1997 and Cambodia this year.

During the past week's meetings, ASEAN economic ministers have pledged to open up closed or restricted industries and sectors to regional investors by 2003.

They also called for the launch of a new round of multilateral trade negotiations at the World Trade Organisation conference to be held in Seattle in November this year.

The ministers said they will press for a review of international anti-dumping laws, which some claim are used by wealthier nations to discriminate against goods from Southeast Asia.

ASEAN has already taken steps toward making the region a "zero-tariff" trade area.

At the latest economic talks, the ministers announced that import taxes within the six founding ASEAN countries will be reduced to a maximum of 5 per cent for various agricultural and manufacturing products by January 1, 2000.

A bank clerk shows off the new Chinese 100 yuan note Saturday on the first day of its release. The red notes with the late chairman Mao Zedong prominently on its front is the fifth issue of the bill as China celebrates 50 years of communist rule. —AFP photo

BB T-bill auction held

The 56th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year Treasury Bills were held yesterday, says a press release.

Tk 990.40 crores, Tk 143.70 crores, Tk 56.50 crores and Tk 58 crores were offered respectively for the 28-day, 91-day, 182-day and 364-day bills, whose range of the implicit yields were 5.96 per cent-7.23 per cent, 7.17 per cent-8.14 per cent 6.38 per cent-8.38 per cent and 8.11 per cent-8.50 per cent per annum respectively.

Of these, Tk 778.30 crores, Tk 30 crores, Tk 13 crores and Tk 26 crores of 28-day, 91-day, 182-day and 364-day bills were accepted respectively, whose range of the implicit yields were 5.96 per cent-7.00 per cent, 7.17 per cent, 6.38 per cent-8.00 per cent and 8.11 per cent—8.30 per cent per annum respectively.

No bid was offered for the 2-year and 5-year bills.

Massive pest attack

Sugarcane output target bleak in Natore

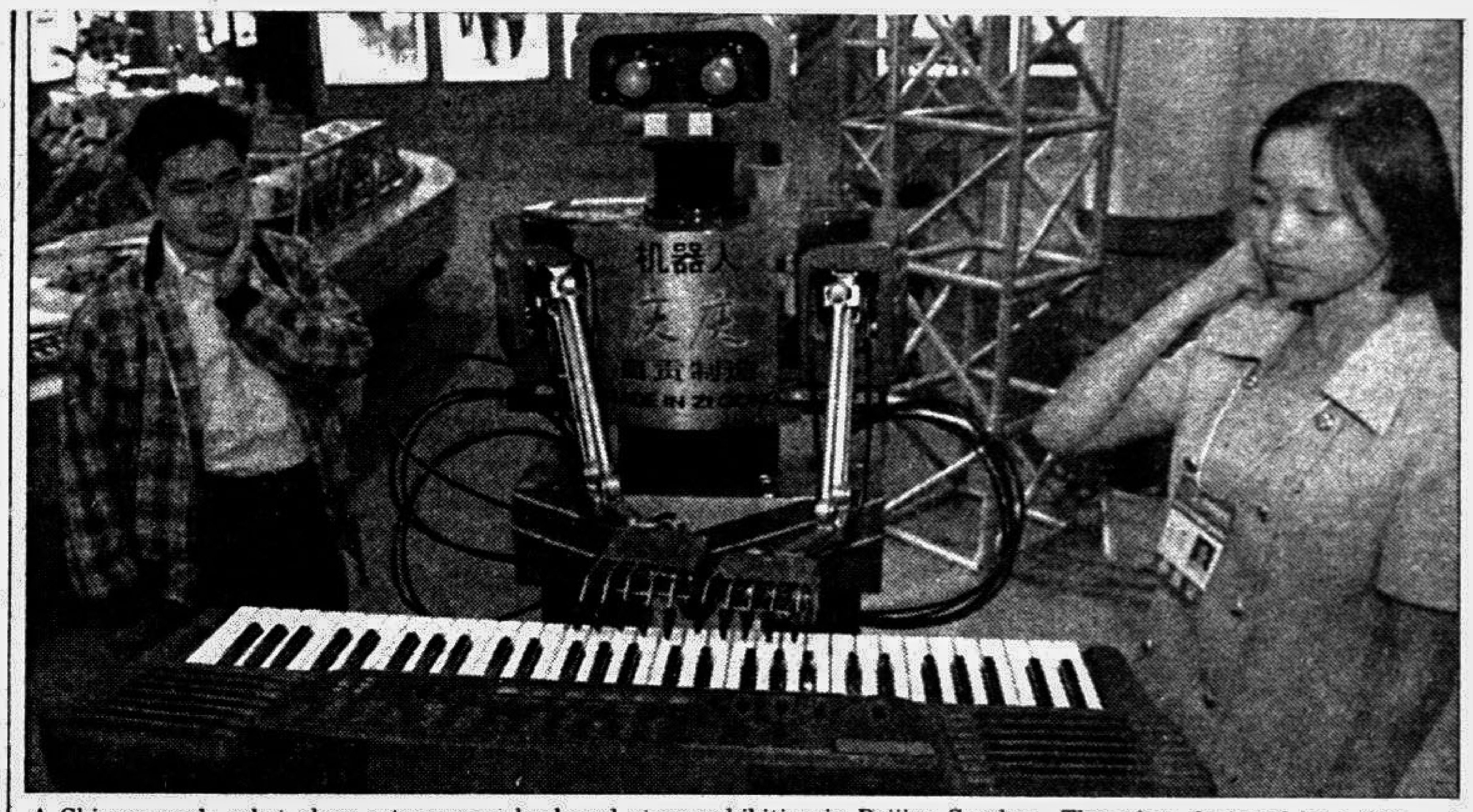
NATORE, Oct 3: Widespread pest attack, triggered by flood, has damaged nearly 50 per cent sugarcanes of the district, clouding the prospect of Natore Sugar Mills' sugar production target, reports UNB.

NSM sources said some 20,500 acres of land under eight zones of the mills have been brought under sugarcane cultivation against the target of 18,000 acres in the current season.

But massive pest attack caused by two flash floods in September and crushing of immature sugarcanes for producing molasses have posed a threat to the mills' sugar output target.

Natore Sugar Mills, one of the three profit-making sugar mills of the country, had fixed the production target at 16,910 MTs by crushing 2.10 lakh MTs of sugarcanes this season.

Meanwhile, the mill authorities have decided to bring some 19,000 acres of land in its eight zones under sugarcane cultivation this season for the next year's crushing.



A Chinese-made robot plays a tune on a keyboard at an exhibition in Beijing Sunday. The robot, designed by a Chinese scientist, is one of the many innovations on show to the public for the first time. —AFP photo

Weekly Currency Roundup

Most Asian units up against dollar

HONG KONG, Oct 3: The yen fell following concern in the industrialised countries over its rapid rise but most other currencies in the Asia-Pacific region held up, says AFP.

Japanese yen: The yen fell against the dollar as the Group of Seven (G7) industrialised nations expressed concern about the Japanese unit's rapid rise, dealers said.

It traded at 105.92-95 to the dollar late Friday, falling from 104.41-44 the previous week.

On Monday, the yen dropped to 106 level on the G7's concern and remained under pressure Tuesday as investors hoped Tokyo would take action to weaken its currency.

The yen stayed at 106 level on Wednesday as investors found few trading incentives but it climbed to the 105 level Thursday with investors dismissing fresh chances of yen-selling intervention.

The yen slipped back again to 106 level in early Friday after a nuclear accident in Ibaraki, east of Tokyo.

But investors bought it back on expectations the Bank of Japan's eagerly awaited Tankan business confidence survey, due out Monday, would show a stronger-than-expected result.

Despite buying seen later in the week, the yen still remained weaker than the previous week's rate.

Australian dollar: The Australian dollar is set to consolidate gains made thanks to better world wide gold prices in the week ahead although the market is likely to keep a close on eye on goings on in Japan, analysts said.

The unit finished at 65.51 US cents on Friday, up from 64.96 the week before.

Its fortunes tied closely to those of commodities, the currency benefited from the week's surge in the price of gold following the decision by European central banks to cap sales of the precious metal over the next five years.

Singapore dollar: The Singapore dollar appreciated to 1.6962 to the US dollar on October 1, Friday from 1.7078 the week before.

Hong Kong dollar: The Hong Kong dollar ended Friday at 7.7675-7.7685 to the US dollar compared to 7.7669-7.7679 the previous week.

Indonesian Rupiah: The rupiah strengthened to close at 8,217 to the dollar on Friday compared to 8,775 rupiah to the dollar a week earlier.

Philippine peso: The peso rose 0.4 per cent week-on-week to 40.741 pesos to the dollar from 40.895 to the dollar on September 25.

South Korean won: The won weakened to 1,216 to the dollar Friday from last week's close of 1,207 won.

Dealers said the won was expected to weaken further to 1,220 in the week ahead as financial institutions have to pay back their borrowings from overseas banks.

Taiwan dollar: The Taiwan dollar rose slightly over the week to close at 31.783 to the US dollar on Saturday amid central bank intervention to curb depreciation of the local unit on the back of a devastating earthquake, dealers said.

Analysts said the currency was expected to weaken in the near term to reflect damages caused by the quake to Taiwan's economy.

The currency stood at 31.795 Monday and weakened to 31.8 Tuesday. It closed at 31.799 Wednesday and rose to 31.787 Thursday. The unit ended at 31.786 Friday.

Thai baht: The Thai baht strengthened in volatile trade, closing Friday at 40.73-77 units to the US dollar, compared to 41.20-23 a week earlier.

Mid-week the baht slipped to 13-month lows, closing at 41.34-39 on Wednesday.

Positive economic indicators and a strengthening stock market helped put a floor under the baht's weakness, analysts said.

Supachai wants time-frame for China, Russia entry

SINGAPORE, Oct 3: Thai Deputy Premier Supachai Panitchpakdi called here today for a definite timeframe for China and Russia to join the World Trade Organisation (WTO), and for the rules of entry to be standardised, reports AFP.

Supachai, who will take over the post of WTO director-general in three years, told a news conference that "if you want to have a universal organisation we need to have China, we need to have Russia, and we need to set a time frame for them to join the WTO."

Supachai, concurrently Thailand's commerce minister, was taking part in the annual meeting of trade ministers from the 10-member Association of Southeast Asian Nations (ASEAN).

Under a compromise that followed a bruising battle for the leadership of the WTO, former New Zealand prime minister Mike Moore took over the post last month, to be replaced after three years by Supachai. Moore has also called for China to be admitted soon to the organisation.

Supachai said Friday that "we need to prioritise the areas that China and Russia should clarify and implement before they can really join the WTO, give them a definite time frame to work them out."

He said that according to information he had received, the United States and China were "closer to an agreement" allowing China to join the WTO "despite the news that it might be still difficult."

"Compared to last year there is definite progress," Supachai said.

But he said he did not know whether the United States and China would be able to reach an agreement before the proposed new "Millennium Round" of world trade negotiations.

For all WTO prospective members, Supachai said there should be some framework for admission, suggesting that prospective members could be given two to three years to meet certain priority objectives.

"I think it is not useful for the whole organisation if we would allow for requirements that will exceed normal requirements which are made for existing members," he said.

"We should not let it drag on and there must be definite guidelines, definite time frames. Do not allow for excessive demands going beyond existing WTO agreements and do not let goal posts shifting be the order of the day."

America trade talks make progress: US

MIAMI, Oct 3: International negotiators are making progress in talks aimed at the creation of a giant free trade zone for the Americas and are likely to announce a customs agreement as an early step toward that pact next month, a top US official said Friday, reports Reuters.

"There are specific things in the customs arena that I think will be announced," Kenneth "Buddy" MacKay, President Clinton's special envoy to the Americas, told the news agency.

Ministers from 34 nations in the Americas will meet in Toronto in early November. During that meeting, US officials have said, they expect to announce a deal to harmonise customs procedures, the first significant accord in five years of talks on the proposed Free Trade Agreement of the Americas (FTAA).

Speaking after an address at a Miami Herald conference on the Americas, MacKay said he could provide no further details about the customs accord.

Plans for a FTAA by 2005 were set in motion at a "Summit of the Americas" in Miami in 1994 at which President Bill Clinton and 33 other regional leaders agreed to create what would be the world's largest free-trade zone, stretching from Canada to Argentina, an area with a population of more than 800 million people.

Negotiators have been criticised for failing to make meaningful progress since. Many business leaders say smaller trade arrangements such as Mercosur, involving Argentina, Brazil, Uruguay and Paraguay, and the NAFTA pact linking the United States, Canada and Mexico, were more likely to succeed in a world rapidly sub-dividing into trading blocs.

MacKay said the talks were on schedule.

Japan to place Niigata Chuo Bank under state control

TOKYO, Oct 3: The Japanese government's Financial Reconstruction Commission (FRC) decided Saturday to place Niigata Chuo Bank, a second-tier regional bank, under state control, reports Xinhua.

The commission made the decision at an emergency meeting in response to a request by the troubled bank on Friday.

The bank will continue operations as usual and its deposits will be fully protected by Japan's semi-governmental Deposit Insurance Corp (DIC).

Niigata Chuo, based in Niigata on the coast of Japan Sea, is Japan's fifth second-tier regional bank to be declared insolvent by the FRC under the finance-system revitalisation law that was enacted by the Japanese parliament last October following Kokumin Bank, Kofuku Bank, Tokyo Sowa Bank and Namihaya Bank.

The Bank of Japan (BOJ) decided Saturday to provide unlimited, unsecured loans to Niigata Chuo for its daily operations.

The administrators will try to find financial institutions to take over the bank. If they fail to do so within a year, the bank will be turned into a bridge bank, a state-controlled organ charged with taking over deposit-taking and lending operations until an acquirer can be found.

The bank, which had developed a capital deficit of 14.1 billion yen (134 million dollars) by the end of September last year, told the FRC that it may soon become unable to pay depositors because depositors had withdrawn more than 100 billion yen (947 million dollars) in the period between June 10 and September 30.

The bank's board of directors decided Friday to give up an attempt to rehabilitate the bank on their own and appealed to the FRC to be under state control.

Sony co-founder dead

TOKYO, Oct 3: Akio Morita, the man who helped set up a small radio repair firm that became that electronics giant Sony Corp, died Sunday. He was 78, reports AFP.

In the ruins of postwar Tokyo, Morita, the son of a sake brewer, and his mentor Masaru Ibuka gathered a group of friends and 500 dollars worth of savings and set up a small company in a burnt-out department store.

Their first efforts at designing new gadgets often ended in failure, particularly a wooden rice cooker that was never perfected.

But soon they began working on a transistor radio and the machine that was to transform modern culture, the tape recorder. By 1958 Morita suggested the name Sony for the company and business began to take off.

Sony's tape recorders gradually became smaller, and lighter. Then 20 years ago this summer the company came up with a product that took off beyond their wildest dreams, the Walkman.

"I never really liked the name Walkman, but it seems to have caught on everywhere," Morita wrote in his autobiography.

In the beginning, the machine met strong opposition from Sony's sales companies overseas which complained about the ungrammatical, Japanese-made name.

In the United States the small cassette players were sold under the name "Soundabout." In Britain it was the "Stowaway," while Australia was a little more imaginative, calling it "Freestyle."

But foreign tourists in Japan snapped up the Walkman, which was hugely popular in its home country.

Now more than 240 million Walkmans have been shipped across the world and the name has earned itself a place in the Oxford English Dictionary.

Morita's innovative products helped turn "Made in Japan" into a global mark of excellence.

Akio Morita

Malaysia's all local banks agree to merge with each other

KUALA LUMPUR, Oct 3: Malaysia's central bank on Thursday announced that the country's local financial institutions have all signed agreements to merge with one another and to form six big banking groups, says AP.

The 58 banks and finance companies had signed the memoranda of understanding by Wednesday, Bank Negara, the central bank, said in a statement.

Bank Negara surprised bankers in July by announcing a drastic restructuring of the battered financial industry.

It said it would force the merger of all the country's banks — 21 commercial banks, 25 finance companies and 12 merchant banks — into six big groups.

The authorities say these mergers were necessary to make the industry strong enough to compete with big foreign banks.

The mergers have to be finalised by September and completed by next April.

The banking industry has often been cited as a cause for Malaysia's economic fragility.

Many banks during the boom years gave away loans on insufficient collateral, leaving them saddled with bad debts once the economy sank in 1997.

But some analysts say many of the banks were strong-armed into accepting the mergers.

Indonesian trade surplus surges to $2.585b

JAKARTA, Oct 3: Indonesia's August trade figures showed that exports stood at $4.599 billion, and imports at $2.014 billion, bringing a trade surplus of $2.585 billion in the month, the state statistics bureau said today, reports Reuters.

Indonesia's trade surplus in July was $2.007 billion.

Non-oil exports in August were $3.585 billion and non-oil imports in August were $1.635 billion.

Indonesia's trade surplus has ballooned as it endures its worst economic crisis in three decades, not because of a rise in exports but because imports have dived.

Vietnam switches to 40-hour work week

HANOI, Oct 3: Vietnam, one of the few remaining communist countries, today officially implemented a 40-hour working week for state-owned enterprises and government offices, says AFP.

State employees will enjoy for the first time a two-day weekend, whereas they were previously required to work 48 hours a week.

The new regulation will affect more than 2.5 million people working at state agencies and state-owned enterprises, while the private sector and foreign invested enterprises are not covered by the new legislation.

Critics of the new law have complained that it could lead to a reduction in production and place pressure on state coffers, while others have argued it would spur economic activity in the non-state sector where state employees have second jobs.

'Modern-day slavery' at homes of IMF, WB officials?

WASHINGTON, Oct 3: Domestic workers employed by officials of the World Bank and the International Monetary Fund (IMF) brought home complaints of labour violations to their masters recently by picketing meetings of the two agencies held here, says IPS.

Proclaiming that 'poverty reduction begins at home,' domestic servants and their advocates sought to draw attention to their cause as top Bank and IMF officials arrived at a Washington hotel for annual sessions on the global economy and the role of their agencies.

At issue was the rights of domestic workers — most of them women from developing countries — brought to the United States by international civil servants at the Bank, IMF and the United Nations, as well as those working in the homes of foreign diplomats.

Some 3,800 domestic workers arrived each year, according to federal officials, and about 1,000 of them toiled in the homes of IMF and World Bank officials.

Among the protesters was Yeshiharege Tefera, a slight Ethiopian woman who escaped from her employers in May 1998 and became the centre of a US government investigation. Attorney General Janet Reno described her case as "modern-day slavery."

An affront to the maids, cooks and nannies who were supposed to be protected by US wage and labour laws.

For every case of fair treatment given maids, cooks and nannies, supposedly protected by US wage and labour laws, there was a horror story like Tefera's, according to social workers.

She was brought to the United States in 1991 by Dawit Makonen, an Ethiopian IMF official, and worked for his family for eight years.

During that time, she was given a meagre 1,060 dollars in pay — or about three cents per hour for round-the-clock work, said Mark Schaefer, a lawyer with the Campaign for Migrant Domestic Workers Rights, a coalition of immigrant, social service and legal-aid groups.

The soft-spoken Tefera, speaking through a translator, also alleged physical abuse at the hands of Makonen's wife, Meskerem, for whose family she had worked in Addis Ababa since the age of about eight.

She fled the family and, with Schaefer's help, won a 342,000 dollars court judgment against Makonen who, meantime, left the IMF and flew to "Ethiopia after being contacted by court officers.

Tefera left with no money and no visa, unable to speak English and illiterate in her mother tongue — was taken in by taxi driver Girma Mengistu and his family, in whose apartment living room she slept until the family moved to a new house.

She hoped to convince US officials to permit her to remain and work in the United States where, she said, she could "improve herself and help my family" rather than return to Ethiopia and risk the ire of Makonen's family, which reportedly was well-connected and locally influential.

Schaefer has continued to explore ways to recover the money owed to her.

The trail could led to the United Nation Economic Commission for Africa, which activists said had hired Makonen despite local and international reports to the judgement against him and his subsequent flight. Agency officials, here for the Bank-Fund meetings, were unavailable for comment.

Campaign members here have continued to press the World Bank and IMF for reforms. "We feel as if we've hit a brick wall" in talks with the agencies, said Martha Honey of the Washington based institute of Policy Studies and a Campaign co-founder.

The agencies had agreed to beef up efforts to inform domestic workers of their rights, activists acknowledged, but officials had balked at suggestions that they help finance an independent external monitor.

"Isolation leads to exploitation but they (the Bank and IMF) are not willing to allow any outside monitoring," said Honey.

The IMF was devising "a new code of conduct with minimum employment standards that would be mandatory," said spokesman William Murray. The new arrangement likely would be "subject to random audits and would be enforceable through the our disciplinary procedures."

The fund would pair up with Bank to conduct mandatory orientation sessions for domestic workers and their employers.

It would consult immigration lawyers and "groups tracking this," Murray said, but agreement on current proposals for an independent external monitor was not likely because these called for the fund to finance an outside contractor and this was "not appropriate."

The World Bank's legal department was not available for immediate comment.

The effort to engage the bank and fund follows earlier attempts by labour unions to reach the domestic workers directly.

Labour groups had succeeded in unionising the agencies' janitorial staff in the early 1990s. They then took on the maids' cause, only to realise the difficulty of trying to locate let alone contract-individual maids and nannies dotted about private houses in the greater Washington area's more exclusive and remote suburbs.

"We can organise the people who clean their offices but not the people who clean their homes," Shamina Singh, of the Services Employees International Union, told IPS at the time.

Stories such as that of Teferra provoked howls of outrage from politicians, lawyers and the media. A local newspaper recently ran an editorial critical of the foreign employers under the headline not in this country, they can't.

Such outbursts have left some immigrant community activists with mixed feelings: gratitude for the show of sympathy toward immigrant workers but also worry that the campaign could become an outlet for xenophobia.

"What really makes me mad is that people are getting away with things that they wouldn't be able to do even by the standards of their own country," Tsehaye Teferra, executive director of the Ethiopian Community Development Council, told IPS.