#### Aussie trade deficit hits record high

CANBERRA, Nov 1: Austra-lia's seasonally adjusted trade deficit increased to 1.94 billion Australian dollars (\$1.2 billion) in September, the country's worst-ever trade figures. says AP.

The Australian Bureau of Statistics said the increase was driven by a 23 per cent rise in the capital goods sector, thanks to imports of civil and defence aircraft worth 500 million Australian dollars (\$ 320 mil-

But imports of all goods in-creased 7 per cent, hitting a new record of 11.7 billion Australian dollars (\$ 7.5 bil-

This offset a two per cent recovery in exports to 9.7 billion Australian dollars (\$ 6.2 billion), the bureau reported.

The seasonally adjusted deficit in international trade of goods and services in September was up from 1.3 billion Australian dollars (\$ 800 million) in August, and above the previous record gap of 1.78 billion Australian dollars (\$ 1.13 billion) in April.

Both the Australian dollar and prices of bond futures contracts fell slightly on news of the record trade gap.

#### Prince Charles to host UK beef summit

LONDON, Nov 1: Prince Charles is to lend his weight to a campaign to get British beef back on the menu across Europe in the wake of the mad cow crisis, his spokeswoman said today, reports AFP.

The prince is to host a sum-mit of European chefs, hoteliers and restaurateurs with a range of natural food issues on the agenda, she said, adding: "British beef is a part of that."

However, she played down press reports that the prince - a supporter of organic farming was to act as an ambassador for British beef, saying the meeting would not be exclusively about the issue.

"He does what he would regard as his best for British agriculture which is a part of our export and overseas business. but to say it is a personal crusade would not be right at all," she said.

A date for the meeting has

not yet been set. A European Union scientific committee ruled Friday that the meat was safe and there was no basis for France's continued ban on imports of British beef.

#### China's Guangzhou Trade Fair clinches \$12.7b in deals

BEIJING, Nov 1: A record of over 12:7 billion US dollars worth of export deals were wrapped up at the 86th China Export Commodities Fair in Guangzhou, official media said Sunday, reports AFP.

Over 90,000 business people from 174 countries and regions attended the fair, which closed in the southern Chinese city Saturday, the official Xinhua news agency said.

The attendance was also a record high and was up 14.7 per cent over the last fair. Xinhua

Local economists attributed good performance at the fair to a recovery of the global economy, market expansion in developing countries in Asia, policies taken by the Chinese government and the growing competitiveness of Chinese products in the world market. Xinhua said.

The fair, the largest of its kind in China, is regarded as the barometer of China's foreign trade. Its trade volume constitutes 25 per cent of the country's total annual export volume.

The fair saw rising transactions with business people from the European Union, the United States and the Middle East. whose trade volume made up over 50 per cent of the total.

#### US Delphi eyes Thailand for new auto parts plant

BANGKOK, Nov 1: The world's biggest auto parts manufacturer. Delphi Automotive Systems Corp is holding preliminary discussions with the Thai Eoard of Investment on establishing a plant here near new facilities set up by General Motors and Ford, reports AP.

Officials representing USbased Delphi and the Thai board last week confirmed, on condition of anonymity, reports in Thai newspapers that a few rounds of talks have been held, but no final decision has been made on locating in the so-

called Detroit of the East. Foreign automakers GM Ford and BMW have or are in the process of setting up plants on Thailand's eastern seaboard. joining Japanese firms long established here, to build cars

for Thailand's domestic market or for export to other countries.

Delphi was spun off by General Motors in May with an eye to allowing the company the 36th largest manufacturing firm in the United States more flexibility in reaching deals with other automakers. which were forming an increasing share of its business.

"Our fundamental business strategy is to 'follow the customer wherever a vehicle manufacturer wants to locate," said a statement from Delphi to

The Associated Press. "Thailand is an important market and is well recognised for its strong automotive and parts industry in Southeast Asia and for its large domestic market," the statement said.

### Slew of incentives to boost infrastructure

# Malaysia bets on consumer spending to spur growth

KUALA LUMPUR, Nov 1: Malaysian Finance Minister Daim Zainuddin has placed his money on higher consumer spending to fuel growth and offered a slew of incentives to boost the infrastructure and financial sectors, reports Reuters.

Daim, who presented the federal government's 2000 budget to parliament on Friday, said personal income tax rates would be cut by one percentage point across the board and unveiled plans to pour five billion ringgit into infrastructure sec-

In a pre-election budget the government also doled out generous hike in salaries and bonus to government employ-

Prime Minister Mahathir Mohamad, whose ruling coalition hold four-fifth majority in parliament, must hold elections by mid-2000. But many expect him to dissolve the parliament and call general elections as soon as in November.

Malaysian opposition leader Lim Kit Siang slammed the gov-ernment for failing to unveil any bold economic reforms to boost economic growth.

"...there are no signs that the government is prepared to undertake far-reaching economic and financial reforms necessary to ensure robust and sustainable economic recovery and growth," Lim, head of Democratic Action Party, said in a statement.

"It's a people budget with good news for all individual tax payers. It puts dollars in our pockets," Shalet Mariam, tax director at consultancy services

firm KPMG, told the agency.
"If you read between the lines the focus of the budget is on domestic spending to fuel our way through," Shalet said.

An expansionary fiscal and monetary policy coupled with strong foreign demand for

Malaysia's electronic and electrical products has helped the economy bounce back from the worst recession in the last four decades.

The government's annual Economic Report has forecast the gross domestic product (GDP) to grow by 5.0 per cent in 2000 from an estimated 4.3 per cent in 1999, up from a longstanding estimate of one per

Analysts were confident that export demand for Malaysian products would be sustained. But they said that domestic consumption and investment levels continued to be slack and expected the government spending to stimulate economic activity.

"The effects of expansionary fiscal policy, coupled with investment and consumptionboosting measures, are expected to benefit all," the Malaysian Institute of Accountants and Malaysian Institute of Taxation said in a statement. "The multiplier effects will be both immediate and

widespread," it said. The budget offered tax incentives to banks to lend and to insurance and stockbroking firms to merge as part of a national financial consolidation plan.

Bankers said the government's move to offer tax breaks to banks which lend more would spur loan growth and help domestic firms to expand business activities.

"It will encourage banks to lend and thereby increase economic activities," said Amirsham A Aziz, managing director of Malayan Banking MBBM.KL, the nation's largest

The budget also proposed that 50 per cent of accumulated losses of acquired insurance and stockbroking firms be allowed as tax credit to be used within two years.

# S Arabia invites pvt sector to invest in infrastructure

RIYADH, Nov 1: Crown Prince Abdullah bin Abdel Aziz invited the Saudi and foreign private sector on Sunday to invest in infrastructure projects, as part of efforts to lessen the kingdom's reliance on oil rev-

enues, reports AFP. "To ensure the growth of our economy, we must create an atmosphere which gives the private sector the possibility to play an important economic role, to invest and to manage infrastuctures," Prince Abdullah said.

The crown prince, quoted by the official news agency SPA, was addressing the Supreme Economic Council which King Fahd established at the end of August to steer policy.

"The council's job is to review the different structural aspects of the economy so as to boost its efficiency and competitiveness," Prince Abdullah

He also called for a review of Saudi regulations "to anchor in our country the investments of our children and attract those of foreigners."

A top priority will be the professional training of Saudis to keep unemployment at bay, said the prince, whose country's mostly young nationals account for only around a third of the estimated 18-million population.

He said the government would also step up efforts to balance the budget "by cutting back on non-essential spending and seeking other sources of revenue" apart from oil. But basic services would not

be affected, the prince said, without going into details.

The Saudi electricity sector, in which the private sector is being called to invest, needs an estimated 117 billion dollars for expansion projects by 2020 to meet increased demand from the country's soaring popula-

"The world is about to turn into a single economic entity and Saudi Arabia is a part of it," Prince Abdullah said, referring to the kingdom's application to join the World Trade Organisation (WTO).

The world's leading oil pro-ducer wants to join WTO membership to attract foreign investment and open the world market to its huge petrochemical industry.



Japan's electronics giant Matsuhista unveils a neckband-style stereo headphone RP-HS900 featuring Matsushita's Virtual Motion Sound System (VMSS) at the company's head office in Tokyo Monday. The PR-HS900 is equipped with a small vibration unit on its back to react for the super bass part of the music instead of the super woofer of the headphone. Matsuhista will put it on the domestic market this month with a price of 4,500 yen (42 USD). -AFP photo

### HK strikes theme park deal with

HONG KONG, Nov 1: The government has reached agreement with Walt Disney Co to develop a theme park in Hong Kong and will invest some 20 billion Hong Kong dollars \$2.6 billion), several Chinese-language newspapers reported Monday,

The government said Monday morning it has concluded negotiations with Disney and plans several news briefings on Tuesday, but a spokeswoman using customary anonymity would not elaborate.

The Oriental Daily News quoted government sources as saying the government will begin construction in April next year and will transfer the construction site in phases from 2002 to Disney. The project is expected to be finished in 2005.

Times reported the government will spend 20 billion Hong Kong dollars \$2.6 billion) for infrastructure and land.

It also said the government will take a 55 per cent stake in the joint venture, while the Sing Tao Daily said the stake would be 50 per cent.

The Oriental Daily News said Tourism Commissioner Mike Rowse would make a preliminary announcement on the deal later Monday — although the government spokeswoman said she could not immediately confirm this.

### Germany expects higher revenue

BERLIN, Nov 1: German government revenue in 1999 will be higher than expected, an expert told the business newspaper Handelsblatt on Monday, re-

Josef Koerner, a former

not immediately available for comment. The experts had in May said

tax receipts for 1999 would total 876.8 marks. Koerner said receipts in 2000

Official estimates of fiscal receipts are to be published this

# Walt Disney

The Hong Kong Economic

ports AFP.

member of a group that evaluates tax receipts twice a year, said the government would receive this year 884.2 billion marks (452.08 billion euros), or 6.1 per cent more than in 1998. The finance ministry was

would be 915 billion marks.

#### A Hong Kong father helps his daughter put on her knapsack outside one of the territory's Disney retail stores Monday. Hong Kong's government has ended marathon talks with the Walt Disney Co to build a theme park in the territory. Chief Executive Tung Chee-hwa will announce the outcome of the eight months of negotiations today. Daewoo creditors reject

debt restructuring plan

SEOUL, Nov 1: Creditors of South Korea's crumbling Daewoo Group Monday rejected a draft debt rehabilitation plan for the group's jeep producer Ssangyong Motor Co., bank officials said, reports AFP.

"They rejected it because business prospects for Ssangyong remain not so bright, and its liabilities are huge," an official at Cho Hung Bank, a major creditor of Ssangyong Motor. told AFP.

The move appears to reveal a

dispute among local creditor

banks over how to rehabilitate some of Daewoo's most troubled units in order to sell them off and dismantle the debt-ridden A steering committee of lo-

cal creditors had Friday submitted a debt rescue plan to their colleagues as the government rushed to complete a protracted reorganisation of the crippled conglomerate.

The bank official said that 33 creditors met to discuss whether to approve the proposed rehabilitation plan for Ssangyong Motor but failed to give it the required 75-per cent

Under the plan, local creditors were supposed to swap 130 billion won (108 million dollars) of loans for equity in Ssangyong Motors and secure a 53 per cent stake after writing down the capital to one third.

"At the meeting, however, only 62.5 per cent of participating creditors supported the debt-to-equity swap plan," the official said.

Also falling short of the required 75-per cent approval hurdle was a proposed plan on shelving the principal payments of the loans, worth 1.6 trillion won (1.3 billion dollars ), until the end of next year.

The rejection came just days after Daewoo's foreign creditors failed to agree on how to handle a reported 6.7 billion dollars in loans extended to the crumbling

The showdown, during which Daewoo urged the bankers to refrain from taking legal action to retrieve their loans, was held at a Tokyo hotel amid reports that the value of Daewoo's assets was plummet-

### Japan's Asahi Glass to buy Daewoo unit

-AFP photo

Japan's top glass maker Asahi Glass Co. Lid. said Monday it was negotiating with South Korea's Daewoo Group to

buy out its electric glass unit. "We are currently negotiating with Daewoo Group over the buyout" of Hankuk Electric Glass Co. Ltd., said a spokesman for Asahi Glass. "It will allow us to expand our market in South Korea," the spokesman said.

But he declined to give any details on the negotiations with Daewoo. The Nihon Keizai Shimbun said Sunday Asahi's acquisition would cost about 15 billion yen (144 million dol-

Asahi would buy a 51 per cent stake in Hankuk Electric Glass from Daewoo group and seal the deal by mid-November. On Friday creditor banks of Daewoo Group unveiled the draft of a rescue plan for four units of the crumbling conglomerate, featuring capital write-downs, debt rescheduling and new loans.

The four units were Ssangyong Motor Co., Keangnam Enterprises Co. Ltd., Orion Electric Co. Ltd. and Daewoo Electric Components Co. Ltd.

## Germany for global job framework

TOKYO, Nov 1: German Chancellor Gerhard Schroeder on Monday proposed creating a global framework for government leaders, employers and workers to discuss job issues, a Japanese union chief said, reports AFP.

Schroeder told Etsuya Washio, president of the Japanese Trade Union Confederation, or Rengo, that he was considering "making some international system for dialogue among governments, management and labour," Washio said. "He asked whether Japan's

Rengo would support this,' Washio told reporters after his 30-minute meeting with Schroeder at the government's guest house in Tokyo. Washio said he had agreed to

back the plan. "I told him it is a matter of course that cross-border threeparty dialogue will become more important," Washio said, adding it could be implemented

as early as next year. Schroeder said he would raise the matter at a meeting with Prime Minister Keizo Obuchi later in the day, Washio

"Probably, the Japanese gov-

ernment would not oppose the establishment of a three-party dialogue but I kind of wonder whether it would lead to substantive, effective measures." he admitted. Washio leads 7.5 million workers under the federation.

He said it was the first time the organisation had received an invitation for official, headon talks from a visiting foreign government guest. The proposal may have been

partly inspired by left-wing

protests against Schroeder

from within in his Social

Democrats (SPD) party, Washio

"He may have wanted to report back home that he held talks with a Japanese labour

union" to woo voters, he said. Accompanied by 40 German business leaders, the German chancellor arrived in Japan on Sunday for a three-day official visit to try to drum up investment on the first leg of an Asian

tour. Earlier Monday, Schroeder met with Japanese Emperor Akihito at the Imperial Palace and several Japanese lawmakers including former prime minister Toshiki Kaifu.

Schroeder told Kaifu that Germany would work closely with Japan to ensure the success of a Group of Eight summit in the southern island of Okinawa in July next year. The German leader also

called for reform of the United

Nations Security Council, the

agency said. Both Japan and Germany are seeking permanent seats on the council to reflect their big financial contri-

butions. Although Germany is a major exporting country, it imports more than twice what it exports to Japan (40.6 billion marks against 18.29 billion in 1998, 20.7 billion euros against 9.35 billion euros, or 21.8 billion dollars against 9.85 billion

dollars). On Sunday, Schroeder visited units of German firms operating in the central city of Nagoya, such as Daimler-Chrysler and BMW.

His office has said a chief purpose of the Japanese visit will be to assess prospects for Japanese investment in Germany, particularly in the formerly communist east, still lagging behind nine years after reunification.

Y2K proves a boon for doom-mongers



People surf through the internet at the Cybernet Cafe in Singapore Monday. Asian Internet consumers are turning to foreign companies for their shopping needs because local firms are using English rather than their native languages to market products.

-AFP photo

#### PARIS, Nov 1: The ending of the millennium and the computer programming problem known as Y2K have proved a boon to legions of hardened pessimists who are loudly proclaiming the imminent arrival

of TEOTWAWKI, reports AFP. Pronounced "tee-oh-ta-warkee", the name designates The End Of The World As We Know It, the long-awaited apocalypse in which only the smartest and the fittest can expect to survive.

Millenarian doom-mongers. often inspired by the Book of Revelations, have been predicting the world's imminent demise for the past 2000 years. undeterred by its obstinate refusal to grind to a halt in line with their dire warnings. But today the jeremiahs are more numerous than ever.

Many are members of fringe

#### religious groups, waiting on the second coming of Christ and the day of wrath when the righteous will be swept up to salvation while the unfortunate majority will pay with an eternity of torment for their life of sin.

Others have a political agenda, such as that of the survivalist groups who see any form of government as a sinister conspiracy to deprive them of their liberties and who have stacked up on food and guns and removed themselves to remote mountain hideouts.

Now at last their soothsayings have been vindicated, or so they believe.

Hard-headed computer technicians are warning of the untold chaos that may be unleashed as of midnight December 31, 1999, as the Year-2000 Problem finally hits: the zeroes on the two-digit year-counters will fail to distinguish between 1900 and 2000, and millions of confused computers will crash in protest. In this nightmare scenario,

power supplies will close down,

telephones and transport sys-

tems will cease to function,

banks and small businesses

will go bust, pensions will be

cancelled, cash machines will

stop dispensing, bank vaults

and prison gates will swing open, television will go off the air, and TEOTWAWKI will be Only a tiny minority of experts hold this view, but that is

enough for the end-of-timers. Under the heading TEOT-WAWKI the Internet currently offers more than 165,000 websites offering information, advice and opinions relating to the coming cataclysm. A typical site, headed "How

to Survive: random tips to in-

crease your chances", tells you

the best way to locate the ideal

shelter, travel to it ("appear to

be harmless"), camouflage it

scraps in compost heaps"). The survivalist business is

booming. According to whom you believe, you should be stocking up with 300 pounds (150 kilos) of grain, 60 pounds of vegetables, 60 pounds of sugar or honey, five pounds of salt and 20 pounds of fat or oil, along with a gallon (four litres) of water per person per day.

Other handy items include candles, fuel, medical supplies, a generator, canned fruit, blankets, sleeping bags and lots of batteries.

Although their end-is-nigh ("plant bushes on the roof"), and avoid detection ("bury your warnings resemble those of previous millenarian groups, the current wave of TEOT-WAWKI pessimists can at least point to one incontrovertible fact: no one knows for sure how seriously Y2K will affect the world's computer systems.

Despite the sceptics who dismiss the Year-2000 Problem as a myth or even an industryinspired hoax designed to spur massive spending on remedial measures, there is a general consensus that action needs to be taken to avoid a certain degree of disruption in the early weeks of the new century.

Even Nathan Myhrvold, Microsoft's chief technical officer, has admitted that the doomsday forecasts cannot be entirely dismissed.

"It's very hard to tell how bad the situation will be," he told Fortune Magazine. "I'm sure things will break. ... The darkside scenario of airplanes falling out of the sky and bank computers crashing is possible." But estimates of the extent of

Y2K-related disruption vary widely. Moreover the measures taken to avert a possible computer catastrophe may of themselves bring about some of the effects they seek to avoid.

Already the uncertainty is causing business leaders to hold back on investment, threatening a downturn in economic growth.