

**China signs WTO trade deals with Cuba, Venezuela**

BEIJING, Dec 24: China has signed trade deals with Cuba and Venezuela, which will facilitate its entry into the World Trade Organisation (WTO), the state media reported today, says AFP.

China has concluded bilateral negotiations with the two countries after serious and friendly talks, the official Xinhua news agency said.

Details of the agreements were not released.

The deals come after China last month signed market access accords with the United States and Canada, which will pave the way for China's accession to the WTO.

Entry is expected to open up the Chinese market to unprecedented foreign investment while lowering tariffs on a variety of imports.

China, seeking membership of the trade body for 13 years, has still to negotiate bilateral agreements with other major trading partners including the European Union, Brazil and Switzerland, before it can become a WTO member.

**WTO finds US wrong in EU steel row**

GENEVA, Dec 24: A World Trade Organisation (WTO) panel ruled yesterday that the United States was wrong to impose special duties on British steel products it says benefit from unfair subsidies, reports Reuters.

The panel said the US measures should be brought into line with WTO open trading rules and the body's agreement on subsidies and countervailing measures — effectively recommending that they be lifted.

There was no immediate comment from US officials in Geneva on whether Washington would appeal the three-member panel's ruling, but diplomats said it was likely that it would.

The duties — classed as countervailing because they were calculated to balance out the advantages the US argued some types of hot-rolled lead steel and bismuth carbon steel, or leaded bars produced in Britain enjoyed — had been in force at different levels since 1993.

The European Union, which represents all its 15 members in the WTO, complained in June last year that the duties were illegal under the rules of the body.

Reacting to the ruling, an EU spokesman in Brussels said: "We are obviously pleased at the result and we shall discuss it with the United States to see what their reaction is."

The dispute arose from the granting of subsidies, mainly in the form of equity infusions, to

the then state-owned British Steel Corporation (BSC) between 1977 and 1986.

In 1986, BSC and the private firm Guest, Keen and Nettlefold (GKN) set up a joint venture for the production of leaded bars.

BSC was privatised in 1988, but US investigators concluded in 1992 that its successor British Steel plc, which took full control of the joint venture in 1995, continued to benefit from the effect of the subsidies.

The panel — made up of independent experts from Norway, Israel and Australia — found there were no grounds for the US conclusion that the subsidies had directly benefited production of the bars since BSC's privatisation.

**US steel imports from Russia, Japan plunge**

WASHINGTON, Dec 24: US steel imports fell 14 per cent in the first 10 months of the year, driven by sharp declines in shipments from Russia and Japan, the Commerce Department announced yesterday, reports AFP.

The department said final data through the end of October put steel imports at 26.9 million tonnes, down from 31.4 billion in the same period of 1998.

Russian imports to October plunged 76 per cent while those from Japan were down 50.3 per cent.

Under heavy pressure from the US steel industry, the Commerce Department has targeted exporters in Russia and Japan with measures aimed at limiting their shipments to the United States.

The US industry, backed by steel worker unions, has repeatedly warned that its future is jeopardised by an infusion of cheaply priced imports that have been "dumped" on the US market.

The Commerce Department had threatened to impose punitive "anti-dumping" duties on Russian imports but has now reached an understanding with Moscow under which Russian exporters will voluntarily limit their US shipments of hot-and cold-rolled steel.

Japanese steel companies however face 10 "anti-dumping" actions by the Commerce Department, which are in differing stages of implementation.

Japanese authorities have denounced the moves, insisting that steel imports from Japan fill an authentic need by US industries that domestic companies are unable to meet.

In November Japan took its complaint against US anti-dumping measures targeting hot-rolled steel to the World Trade Organisation.



Thais queue up to withdraw money from the Automatic Teller Machine (ATM) at a Bangkok Bank branch in Bangkok on Friday before the long weekend and fears of the millennium bug despite the Bank of Thailand and Thai Bankers' Association reassurances that the whole banking system is safe from the Y2K bug. — AFP photo

**Labour union vows to stop Nissan plant closure**

TOKYO, Dec 24: A Japanese labour union vowed today to stop the planned closure of Nissan Motor Co Ltd factory, arguing workers should not bear the brunt of bosses' "mismanagement", an official said, reports AFP.

"We are determined to prevent the closure of the Murayama plant," said Hiroshi Ikeda, the head of planning for the 1.5-million-strong National Confederation of Trade Unions (Zenren).

The closure of Nissan's Murayama plant, located 35 kilometers (22 miles) west of Tokyo, is part of a sweeping restructuring drive announced by French-controlled Nissan in October in a bid to turn round years of losses.

"We are distributing leaflets and collecting signatures to raise public opinion against the closure," Ikeda said. "Many local residents are worried over the economic impact arising from the plant's closure."

The reforms are led by the new number two at Nissan, Brazilian-born Carlos Ghosn, include shedding 21,000 jobs.

Ghosn was brought in from French car maker Renault SA, which in March took a controlling 36.8-per cent stake in Nissan.



Women shop for Mickey Mouse and Pooh Bear plush toys at a Disney Store in Hong Kong one day before Christmas Friday. Hong Kong retail sales volume rose for a fourth successive month in October, up three per cent from a year ago, but value fell five per cent to 15.1 billion Hong Kong dollars (1.94 billion US), as Hong Kong remains mired in deflation, with the consumer price index (CPI) registering a year-on-year decline of 4.2 per cent in November. — AFP photo

**US, European stocks soar to record highs**

NEW YORK, Dec 24: Stock exchanges on both sides of the Atlantic caught the holiday spirit yesterday and soared to record highs, reports AFP.

In New York, the Nasdaq electronic exchange once again overshadowed the venerable Dow Jones industrial Average, gaining 0.82 per cent to hit its seventh consecutive record.

At one point during the session, the Nasdaq composite broke through the barrier of 4,000 points — less than two months after surpassing 3,000. Nasdaq has gained more than 80 per cent since the start of the year.

The Dow also put in a record-setting performance Thursday, increasing 1.80 per cent to finish at 11,405.76. The Dow since January has now risen 24 per cent.

In its last session before Christmas the US market chose not to dwell on a warning issued Tuesday by the Federal Reserve that imbalances in US economic momentum could trigger a spurt in inflation.

If upward price pressures do emerge over the next few weeks, the Fed has signalled its willingness to raise short-term interest rates, a move that could dampen market sentiment.

Recent government indices have shown that US industries are turning out goods at a brisk clip and that consumers are displaying little reluctance to spend their earnings — factors likely to boost corporate profits and shareholder dividends.

"Ho, ho, ho! That's all there is to say," said William Meehan, a stock market analyst at Cantor Fitzgerald.

"Flows are now pouring in after people realised that the expected pullback earlier this week never came."

In Frankfurt meanwhile share prices rose 4.42 per cent to their eighth straight record, surpassing 6,700 points on strength in the banking and insurance sectors.

But as is the case in the United States, the surge in prices is driven by technology issues.

"The only explanation that can justify such levels is that in Europe we are entering an economic cycle similar to that of the United States in the 1990s — a situation where the spread of new technology is helping us to break free of the usual constraints of the cycle," said Jean-Francois Gilles, a portfolio manager at CCF Capital Management in Paris.

**Last-minute website help to avoid Y2K bug**

WASHINGTON, Dec 24: In just a matter of days, the world will learn if computer problems caused by the date rollover to the year 2000 will bring society to its knees or cause just minor inconveniences, says Reuters.

But for consumers, there is still plenty of time left to perform checks on home software and hardware, with numerous resources available on the Internet.

Potential problems could occur because hardware and software vendors at times sold products that recorded dates using only the last two digits of the year. Such products may break down or create errors when faced with dates including the year 2000, which could be treated like 1900.

Even products that can cope with 2000 may have problems on February 29. While most years ending in "00" are not leap years, years divisible by 400, including 2000, are leap years.

Many leading software vendors have posted detailed assessments of possible problems in products they have sold over the years. In some cases, the companies have also posted patches to correct problems, even for older products.

Microsoft, the No 1 maker of personal computer operating systems and Business productivity software, has a vast guide to year 2000 problems beginning at the Web Page <http://www.microsoft.com/y2k/>.

The pages include a guide for home and small business users and a downloadable software programme (available at <http://www.microsoft.com/technet/year2k/pca/pca.html>) that can analyse Microsoft products running on a PC and report on possible glitches and needed patches.

Among other software makers that have posted information and patches are Adobe Systems Inc. (<http://www.adobe.com/newsfeatures/year2000/prodsupport.html>) and Corel Corp. (<http://www.corel.com/year2000/index.html>).

Symantec Corp. (<http://www.symantec.com/y2k.html>) and IBM Corp's Lotus Development unit (<http://www.lotus.com/y2k/>) also have posted information on their products.

Hardware vendors such as Dell Computer Corp. (<http://www.dell.com/year2000/>), Gateway Inc. (<http://www.gateway.com/about/y2k/index.shtml>) and Apple Computer Inc. (<http://www.apple.com/about/year2000/>), have also posted informational pages about possible problems in products they have sold.

Computers and software are not the only home electronics items that can be affected by Y2K issues, however. As appliances have become increasingly reliant on embedded computer chips to operate, some Year 2000 have crept in as well.

The Y2K base (<http://y2k.y2kbase.com>) includes a vast listing of products that could be affected. Specific sections address problems in home appliances and consumer electronics like VCRs.

At "Billy the Y2K Bot" (<http://www.billythebot.com>), consumers can enter the name of a vendor and the site will search for relevant information. The site also includes search engines for some specific companies that allow a consumer to discover if a specific product has any Y2K issues.

Major media outlets have also compiled pages of tips and advice for dealing with home Y2K issues.

Money Magazine's "Year 2000 Bug" page (<http://pathfinder.com/money/y2k/index.html>) offers several downloadable software programmes for assessing Y2K vulnerability as well as offering advice on finance industry issues, such as the vulnerability of social security cheques, mutual funds and insurance policies.

More computer-oriented sites include PC Magazine's "Year 2000 Resource Center" (<http://www.zdnet.com/pcmag/special/y2k/index.html>), which offers "how to" advice columns and warnings.

In the event that something actually does go wrong, consumers may seek redress through the courts. Information about pending and completed Y2K litigation can be found at the Year 2000 Liability page (<http://www.2000law.com/>).

**Metal: Weekly Roundup**

**Gold sharply up despite Dutch central bank sales**

LONDON, Dec 24: Gold prices rose sharply on technical and speculative trades amid thin year-end trading volumes, in spite of an announcement that the Dutch central bank had sold 13.5 tonnes of the precious metal, reports AFP.

The spot price rose to 286.55 dollars an ounce on the London Bullion Market from 283.2 dollars last week.

The Dutch central bank said in early December that it planned to sell 300 tonnes of gold over the next five years, of which 100 tonnes would be off-loaded next year.

Dealers said that the latest Dutch sale had little impact on prices because it had been widely expected.

"The news came as little surprise to the market," the GNI trading house said.

Kevin Crisp, a metals strategist at JP Morgan bank, said that the price rise had been accentuated by thin market levels.

"The moves have been sharpened by the light volumes, which are not surprising given the time of the year," he said.

He said that the new year was likely to ring in further movements of the gold price, as feared computer hiccups would by then be a thing of the past and the markets would focus on the fundamentals, dominated by plentiful supply.

"The key will be to see what happens when we come back on January 4. The market will see the impact of the Y2K issues, and will be able to think about fundamentals," the specialist said.

"Given that there is plenty of supply on the market, it does raise some questions about the upside potential of gold."

**Silver:** Dull. Silver prices remained unchanged in extremely light trade.

Cash prices on the London Bullion Market held at 5.16 dollars an ounce.

**Platinum and Palladium: Firm. Palladium and Platinum prices remained firm amid continued uncertainty surrounding future exports from Russia.**

Dealers predicted a more liberal export regime after parliamentary elections in Russia delivered a blow to the Communists.

Palladium prices rose by three dollars to 437 dollars an ounce.

Platinum prices were unchanged at 440 dollars an ounce.

**Base metals: Mixed. Aluminum, nickel and copper prices continued their recent advance, while other base metals fell back amid thin volume.**

The market was underpinned by better-than-expected figures for US economic growth in the third quarter, which showed that gross domestic product grew by 5.7 per cent in the July-September period, and also by a decision by US monetary authorities to leave interest rates unchanged.

Copper added to last week's record thanks primarily to the closure of the Kidd Creek site in Canada belonging to mining group Falconbridge due to technical problems. The company said the shutdown could drag on for 50 days.

Meanwhile the European Commission said it was looking into the proposed merger between US aluminium producers Alcoa and Reynolds, with a final decision expected by May 2000.

Aluminium prices received consequently gained nine dollars to 1,624.5 dollars per tonne while London Metal Exchange reserves swelled by 425 tonnes to 760,525 tonnes.

**Turkey wins IMF-WB loans amid protest**

ANKARA, Dec 24: Turkey has secured key financial supports from the International Monetary Fund and the World Bank for its three-year inflation-busting programme amid anti-IMF street demonstrations by angry civil servants, reports Reuters.

The IMF yesterday approved a \$4 billion standby loan deal to Turkey for the programme to cut inflation to single digits by 2002 from around 60 per cent now. On Thursday the World Bank pledged \$3 billion to help structural and financial reforms.

"These loans are designed to support Turkey's announced programme of disinflation and economic recovery," the World Bank said in a statement on the three-year aid package.

Turkey's state minister responsible for the economy, Recep Onal, summed up in a news conference key pledges made to the IMF in a deal, reached after two years of tough negotiations.

"The IMF stand-by arrangement and the continuing determination of our government has shown until today... will play an important part in boosting our credibility," Onal said.

World Bank's Turkey Director Ajay Chhibber praised the government's efforts that formed a legal basis for structural reforms such as pension law, banking legislation and amendments to allow international arbitration in commercial disputes.

"The track record of the government is so strong that I am confident it will be able to carry out the reforms," he said.

Prime Minister Bulent Ecevit's left, right and conservative coalition, which took power after April polls, is widely credited with securing a degree of political stability not seen in years of successive weak governments.

The IMF loan accord is likely to boost Turkey's credibility on international lending markets, helping ease an expensive dependence on short-term domestic borrowing.

"In 2000, excluding IMF resources, we aim at more than \$5 billion in foreign borrowing," said Onal.

**UN agrees to \$ 2.5b budget**

UNITED NATIONS, Dec 24: UN member states yesterday agreed to a 2.535 billion dollar budget bill to fund the world body's operations for 2000 and 2001 following weeks of difficult negotiations with the United States, says AFP.

The UN General Assembly's finance committee late Thursday adopted the bill which exceeds the previous budget by two million dollars. The budget was expected to be ratified by the 188 member states of the General Assembly Thursday night.

The United States had been seeking a no-growth budget which Congress had demanded as part of the agreement to pay off US debt to the United Nations, estimated at 1.17 billion dollars following recent US payments.

Developing and European countries supported the UN's request for the budget increase, diplomats said.

UN Secretary General Kofi Annan presented the budget in late October and defended the amount saying he was proposing "small but important increases in certain priority areas." These included peace and development in Africa, protection of human rights and the fight against drug trafficking and organised crime.

Joseph Connor, Under-Secretary General for finances, said the budget "once again shows remarkable financial discipline," adding that it came in 100 million dollars under the 1994-1995 budget.

"The adoption of the new budget means that the Secretariat will be working with the same or less level of resources since 1994, over eight years," Connor said.

The budget does not cover peacekeeping operations, which are expected to balloon by more than one billion dollars to 1.6 billion in 2000 along with the establishment of large contingents in East Timor and Sierra Leone.

**Saiham Textile declares 10pc dividend**

Saiham Textile Mills Ltd has declared a 10 per cent dividend for the year 1998-99, says a press release.

The Board of Directors of the company announced the dividend at the 18th annual general meeting held at the BCIC auditorium in the city on Thursday with chairman of the company Syed Md Qaisar presiding.

While addressing the shareholders, Syed Md Qaisar said despite unfavourable economic situation in the country, the company earned a gross profit of Tk 7.32 crore in the financial year 1998-99.

Besides, the company paid Tk 4.27 crore to the BRSR against long term loan in the year.

The declaration of dividend, proposed earlier by the Board of Directors, and audited accounts of the company for the financial year as well as the directors report were discussed and approved by the shareholders.

The Chairman expressed gratitude and thanked all the directors, shareholders, employees, and workers of the company, financial institutions including BRSR, insurance companies, Habiganj Palli Bidyut Samity, Bangladesh Railway, government and non-government agencies for their co-operation with the company.



The 18th annual general meeting of Saiham Textile Mills Ltd held at the BCIC auditorium in the city on Thursday. — Saiham Textile photo

**Saudi bourse closes week slightly up**

RIYADH, Dec 24: Saudi stocks closed the week yesterday slightly down despite an upbeat 2000 budget which slashes the deficit, Bakheet Financial Advisors said, reports AFP.

The NCFEI All-share index closed down at 1,965.38 from 1,974.05 points the previous week, the Riyadh-based investment specialists said.

Trading volumes fell to 1.5 billion riyals (400 million dollars) from 1.83 billion riyals (488 million dollars).

But the electricity sector continued to advance on the strength of the announcement of new tariffs and privatisation plans.

Thirteen shares rose, 49 fell, one did not change and another 10 were not traded, Bakheet said.

The Saudi stock market did not react to the announcement of the Saudi budget... it seems that investors are worried about Y2K and the long market vacation."

The Saudi Arabian Monetary Agency, or central bank, has announced that trading will be suspended about the start of the year until January 11 to mark the end of Ramadan.

**Booming US economy proves a boon for only a few**

WASHINGTON, Dec 24: US financial indicators point to the fact that the nation's economy is enjoying a record-breaking boom but the swelling ranks of poor Americans say otherwise, reports IPS.

"You know something's wrong when the economy's been good for so long and it's still so bad for so many people," says a new report from United For a Fair Economy (UFE), a US-based research and advocacy group.

Over the past decade, the economy has sprouted 202 new US billionaires, bringing the total to 268. At the same time, however, it has pushed three million people into poverty.

"The rising tide has lifted the yachts to tremendous heights but many Americans still are bailing out their boats after a decade of sinking real wages and wealth," according to the report, titled "Divided Decade: Economic Disparity at the Century's Turn".

Bill Gates, the chief of Microsoft Corp., is emblematic of the "yacht class" according to UFE researchers, who draw their data from official, academic and commercial sources.

Gates' personal worth — an assets minus liabilities — stands at 85 billion dollars, roughly the combined economic output of Central America (Nicaragua, Guatemala, El Salvador, Panama, Costa Rica, Honduras and Belize), the Dominican Republic, Haiti, Jamaica and Bolivia.

That is an increase from a relatively modest 2.5 billion dollars — Nicaragua's gross national output — in just 10 years.

Gates is not alone when it comes to rolling in money. The incomes of chief executives at leading US companies have rocketed to 419 times the earnings of average factory workers and the gap is set to widen to 691 times by the end of 2000.

Workers' wages, however, have yet to recover to their levels in the mid-1970s — despite increased productivity and longer working hours. The federal minimum wage currently buys 27 per cent less than it did in 1968.

If not for men and women's increased work, families would be far worse off," says the report.

Some 60 per cent of women work outside the home up from 43 per cent in 1970, but they continue to earn less than their male counterparts. "Unfortunately, women who work full-time earn only 73 cents for every dollar earned by men," says UFE.

Poverty rates have fallen in the past decade but remain higher than in the 1970s. One out of every eight US residents lives below the official poverty line and those in extreme poverty U meaning they have less than half the official poverty level U has risen to 5.1 per cent, up from 3.7 per cent in 1975.

Budget cuts and a political preference for private-sector services have stripped 16.3 per cent of US residents — or 44.2 million people — of health in-

**Iraq signals fresh UN test over oil deal**

BAGHDAD, Dec 24: Iraq yesterday signposted a potential new flashpoint in its relations with the United Nations over the humanitarian exchange of oil for food, reports Reuters.

Oil Ministry officials said Baghdad hoped the UN would raise a \$ 5.26 billion cap on export revenues once Iraqi sales reached that level during the latest phase of the UN's oil-for-food programme.

With the planned Iraqi export levels and given current high oil prices, the United Nations by late March is likely to face an awkward decision on whether it should permit Iraq to maintain its sales of oil and purchases of humanitarian goods.

Reaching a decision could prove divisive because the UN Security Council last Friday passed a comprehensive resolution on Iraqi sanctions, an article of which eliminated the cap on export revenues under oil-for-food.

Baghdad rejected the entire resolution saying it wanted no part of measures seeking to return weapons inspectors to the country in return for the suspension of Gulf War sanctions.

**Insurance coverage, up from 13.6 per cent in 1989.**

Regressive taxes also have contributed to inequality, shaving nine per cent off incomes of the poorest fifth of the US population since 1973. This compares to a 43 per cent increase for the top fifth and staggering 115 per cent boost for those at the very top of the economic heap.

"To make matters worse," says the report, "the US America is cruising in a sea of red ink — consumer debt."

Nearly one household in every five has a negative net worth, meaning that its debts either equal or exceed its assets. By contrast, this was true of only one out of ten US households in 1962.

The main culprit: credit card debt. Personal bankruptcies have doubled over the past ten years — even as business bankruptcies have fallen 36 per cent.

And for all of Wall Street's hype about the democratic expansion of investment through mutual funds and other commodity — available financial products, the report insists that almost 90 per cent of all the stock and mutual fund value owned by households is held by the nation's richest 10 per cent.

"Concentrated wealth is concentrated power," UFE says, pointing out that 80 per cent of all political contributions now come from less than one per cent of the population.

"If the Congress were truly representative of the people we would have implemented campaign finance reform by now," it asserts, referring to stymied efforts to curb the influence of money in elections.

What is to be done? Far from urging mutiny amid bounty, UFE endorses an "asset-building agenda" of existing and already-proposed measures aimed at aiding the chances of poorer citizens of amassing some wealth.

These include employee ownership, stock option schemes, non-manage-