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US again calls for worker rights

UNCTAD trade conference enters third day today

BANGKOK, Feb 13: As poor nations pondered ways to get richer the United States weighed in Sunday by reiterating its call for worker rights that deeply offends Third World leaders, reports AP.

Developing countries say they can't afford to protect workers and the environment as well as rich nations, because this would undermine their biggest competitive advantage in the global economy — the ability to produce goods cheaply.

US President Bill Clinton angered many nations last year at a World Trade Organisation meeting in Seattle, suggesting linking worker rights to any new global trade deal. Developing nations view such talk as protectionism in disguise.

Efforts to launch a new round of trade negotiations collapsed in Seattle, with violent protesters outside the meeting stealing the spotlight.

As 190 nations gathered in Bangkok for the UN Conference on Trade and Development that runs through Saturday, many Asian nations sent their heads of state or top ministers.

Clinton dispatched Harriet C Babbitt, deputy administrator at the US Agency for International Development, to deliver Washington's line.

"Development requires investments in people — in education and health care systems," Babbitt said in remarks to be delivered to UNCTAD. "It requires a sound policy framework that will allow the private sector to flourish while guarding against exploitation of workers, consumers or competitors.

"It requires good governance, accountability and transparency, protection of human rights and the rule of law and sustainable environmental practices."

Prime Minister Hun Sen from Cambodia, one of Asia's least-developed nations after being ravaged by war and genocide, suggested Sunday the West could be pushing too hard.

"Attaching unreasonable and stringent conditionalities to use of such factor and to achieve standards which took centuries to be reached elsewhere, thwarts and negates the underlying principle of growth and free trade," Hun Sen said.

The UNCTAD conference is mainly a forum for Third World nations to state their views on trade and economic development — not a place where trade treaties are forged.

After the WTO talks in Seattle failed, many developing countries griped they have been left out of significant discussions with richer nations that call most of the shots on global trade.

Some had hoped UNCTAD could give them more say, but officials from Washington and the wealth European Union made it clear they don't like the idea.

"We strongly favour a concentration of UNCTAD resources in work that can build on its analytical strength and contribute to the capacities of developing economies to help themselves," Babbitt said.

"We are less sanguine about activities where UNCTAD may be called upon to move beyond the areas where it is strong and into activities for which other organisations may be better suited."

She added: "An operational role for UNCTAD in trade negotiations would involve a confusion of institutional roles and a diversion of limited resources to activities for which UNCTAD is not the best-suited organisation."

Portugal's secretary of state for economic affairs, Vitor Ramalho, had a similar message Sunday on behalf of the EU.

"UNCTAD is not a forum for the negotiation of multilateral trade rules, which is the prerogative of the WTO," Ramalho said.

Poorest nations face marginalisation

Another report says: The world's 48 poorest countries are failing to benefit from free trade and globalisation and face worsening poverty, inequality and marginalisation, a UN report said Sunday, reports AP.

Economic production has declined for three straight years in the least-developed countries while their share of global trade has plunged, said the report issued by the UN Conference on Trade and Development.

"There is no greater challenge facing the international community today than integrating the least developed countries into the world economy," said UNCTAD Deputy Secretary-General Carlos Fortin. "They are being increasingly marginalized."

Since 1971, the number of countries categorised by the United Nations as extremely poor has risen from 25 to 48. During that period, only one country, Botswana, has graduated from the list.

Thirty-three of the poorest nations are in Africa, nine in Asia, five in the Pacific and one in Latin America.

The report, released at an UNCTAD meeting in Bangkok, said rich countries should remove all tariffs and quotas on products from the poorest countries to allow them to sell more.

Developing countries have complained that trade agreements negotiated by the World Trade Organisation have cut tariffs on many products exported by rich nations, while failing to address agriculture, textiles and garments — key products for poorer countries.

The report also urged donor countries to provide more aid to enable poor countries to produce more so they can benefit from free trade.

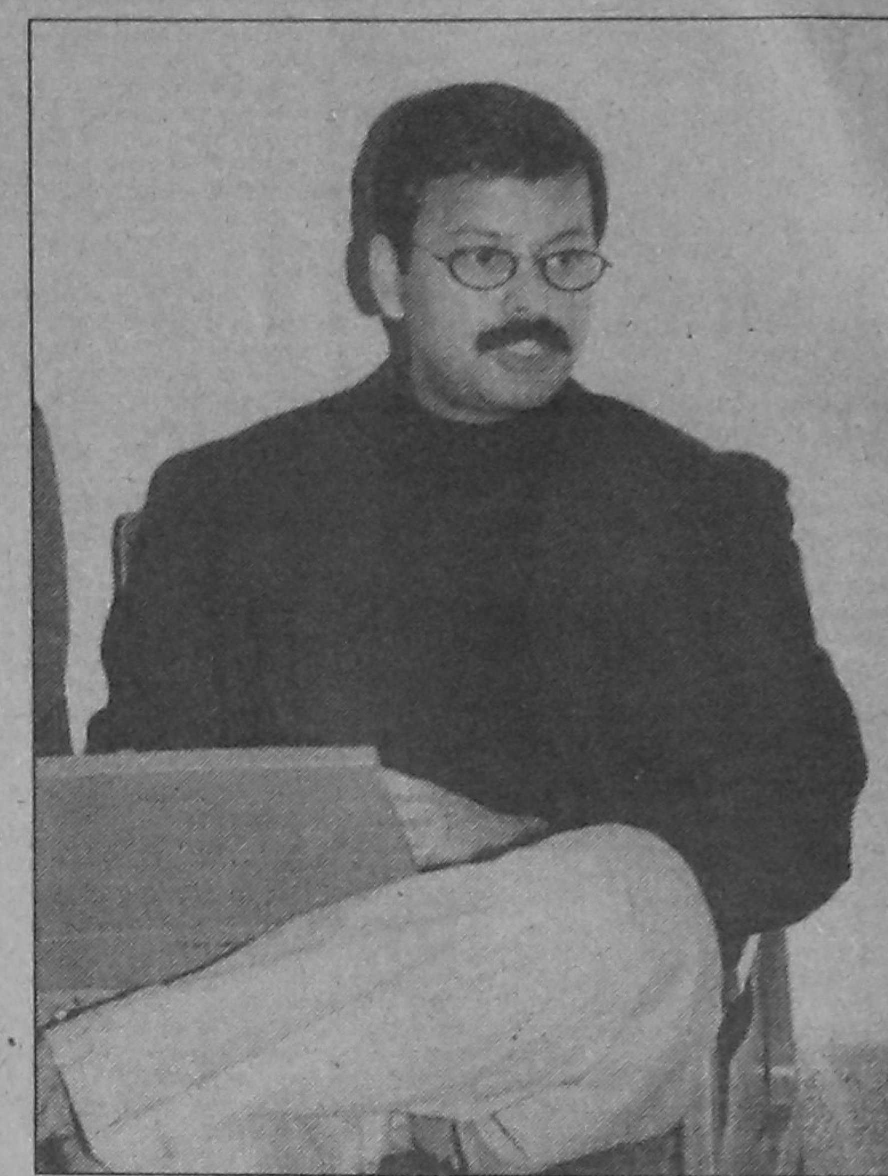
"The main problem of the least developed countries today is they don't produce enough," Fortin said.

In real terms, aid provided to the least-developed countries has fallen by 23 per cent in the past decade, the report said.

Unlike wealthier developing countries, the poorest nations are generally unable to turn to private investment for capital, and attract less than 1 per cent of all foreign direct inves ment, the report said.

Bangladesh Dot Net: Expanding the domain of e-commerce

By Raffat Binte Rashid



SM Mohsin

It is hard to visualise the man behind the loom in Tangail, weaving that exclusive saree, selling his products online to people all over the world. But as S M Mohsin, a senior e-commerce analyst and Director of Bangladesh Dot Net puts it, the process has already been initiated.

"Bangladesh Dot Net" is a portal site, which is a web search engine like Yahoo!, from where one can download any information on Bangladeshi products or services. A Texas-based company backs it with value-added services for procuring, selling and designing products and services, utilising a network of intelligent e-business market places.

"It will allow the users to buy and sell products and services across multiple web-based market places," says Mohsin. Mohsin is in Bangladesh now to set up this search engine, Bangladesh Dot Net, and transfer the knowledge on e-commerce and e-globalisation.

"Bangladesh is unique in the sense that all its products are exclusive — the Tangail saree, the Mirpur Katan, the Aarong products. These come with an exclusive "made in Bangladesh tag," but a Polo shirt can be made in Mexico, India or Bangladesh.

People around the world have no idea about these exclusive products; thus if you log on to Bangladesh Dot Net, people would know about the Tangail saree and help you make the right buy at the right price," he told The Daily Star.

Thus, the black box on his computer screen tells him to make the buy from his nearest centre.

This portal site, Bangladesh Dot Net, will initially put its emphasis on the prospects of bringing the increasingly high number of Bangladesh export houses especially individual designer dress houses, textiles, and garments with a view to benefiting the entrepreneurs, customers, and the country as a whole.

The Bangladesh entrepreneurs will no longer depend on local customers, rather their business base will spread out throughout the world. This will result in a revenue inflow to Bangladesh. Quality is likely to improve along with the increased growth of competition for all products, leading to better products with less cost. The flexibility of on-line shopping will reduce huge traffic on the city roads, make the communication a lot faster and finally reduce the pollution to a great extent.

However, it will take time for the Bangladesh people to sink in their thought process the idea of business transactions on line. The banking system here is no-doubt very old and is conservative to try a new technology.

"Moreover, the people here needs to trust the idea of on-line buying and selling, to allow the banks to start any on-line transaction on their client's behalf. Just as credit cards found a way to people's wallet, similarly if the banks here open a direct debit system, then only online shopping is possible. However, all the multinational banks are aware of e-commerce. Our neighbouring country India is now on its way of setting up a search engine of their own," he says.

However, the main difficulties that Bangladesh Dot Net will face is the poor infrastructure of communication or telecommunication system here in Bangladesh. With the rural area completely ignorant of computers and Internet, it will be extremely difficult to make that man behind the loom in Tangail understand that a lady in America is interested in the saree he is weaving. But that's the challenge Bangladesh Dot Net is here to face and ease out.

"E-commerce would eliminate the middleman who hikes the price and allows both the consumer and tradesman to buy or sell products in an optimised fashion," he forecast.

Explaining in a more detailed manner about the terminology of e-commerce or e-globalisation, he said, "e-commerce is directly related to the optimisation of all the dimensions of a product. A product or a service in this area of globalisation has at least three dimensions of manufacturing (involves cost of raw material), procurement (involves logistics), price (involves seasonal fluctuations and places).

A product that is being obtained by optimising all these three dimensions through the Internet electronic process, falls under e-commerce, Mohsin said.

A customer in Bangladesh, who wants a Polo shirt, the buy becomes expensive if he procures it from USA. But if he goes to Bangladesh Dot Net, he avails himself of the products visibility and gets to know that Polo shirts are made here.

Italian Ambassador in Bangladesh Mario Filippo Pini, accompanied by Giovanni Colella, Head of Commercial Section and Deputy Head of Mission, and Khairul Bashar, Director of Italian Trade Commission, called on Latifur Rahman, President, and CK Hyder, Secretary-General of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) yesterday.
— MCCI photo

India home to half of world's hungry people

NEW DELHI, Feb 13: Despite a substantial increase in foodgrain production during its 50 years of independence, India is home to nearly half the world's hungry people and is still classified by the Food and Agriculture Organisation (FAO) as a low-income and food-deficit country, an international report says, reports PTI.

Around 35 per cent of India's population — 320 million — are considered food-insecure, consuming less than 80 per cent of minimum food requirements, World Food Programme (WFP) says in its 'Country Programme Report 1997-2002' on food aid intervention in India.

Of even more concern is the status of women. The food intake of a considerable section of Indian women is not only calorie deficient but a staggering 83 per cent of country's women suffer from iron deficiency, and amaemia during pregnancy, the report says.

Maternal Mortality Rate (MMR) among Indian women is one of the highest in the world, it says.

WFP, which is supporting the centre's premier initiative for child development — the Integrated Child Development Services (ICDS), says though the scheme has contributed a great deal towards a commendable improvement in the health indices of the country, however, we are far from being a healthy nation.

The ICDS, formulated by the government as a comprehensive child survival and development scheme drawing on the resources of the centre, states, voluntary organisations and the communities, was launched in 1975.

S'pore launches new tourism programme

Star Business Repor

To attract more tourists, Singapore has launched a new programme for those who will visit the country between June 1999 and August 2000.

As part of the programme, Singapore Airlines and Singapore Tourism Board & Star Cruise Agents' Product seminar was held at Sonargaon Hotel in the city Saturday.

Paul Dorai Raj, General Manager Bangladesh, Singapore Airlines (SIA), Leslie Chan, Director, South Asia of Singapore Tourism Board (STB), Casey Lau, Sales Manager of Star Cruise, and Yameen Kabir, SIA Sales Manager in Bangladesh attended the seminar.

Speaking at the function, Paul Dorai Raj, GM of SIA in Bangladesh, said the cruise package has been launched for the first time in Bangladesh which is something new and has a lot of potential here.

Leslie Chan, Director of STB, mentioned that 6.9 million tourists around the world visited Singapore in 1999. Of them, around 32,000 people were from Bangladesh, which is some 0.5 per cent of the total tourists.

He highlighted the features of some of the more popular festivals like the World Gourmet Summit, Once in a Millennium Promotion, the great Singapore Sale, International Sand Sculpture Show.

Casey Lau of Star Cruises, Singapore, said as far as cruising is concerned, tourist growth is 10 to 15 per cent worldwide and 25 per cent in Asia-Pacific. He gave a detailed presentation on the exciting features of the cruise luxury ships and also the added benefits and advantages of these features.

Malaysian banks back on track

Strong earnings growth likely this year

KUALA LUMPUR, Feb 13: Malaysian banks, riding an economic recovery and a stock-market rally, are set to post strong earnings growth this year, thanks to improved asset quality and writing back huge provisions for loans, reports Reuters.

Re-rating the sector, analysts said they have raised earnings forecasts for some banks KLFI, whose stocks have soared in line with the blistering rally that has lifted a key Malaysian index KLSE more than 20 per cent since the start of 2000.

Still, analysts see room for banking stocks as well as the broader market to go even higher as under-invested foreign funds raise their Malaysian weightings.

"It should be a good year for banks," said a sector analyst at a large bank-backed brokerage. "You have less loan provisions, potential write-backs and loans are starting to grow again."

Banks are seen as reflecting the Malaysian economy, which is set to grow by more than five per cent this year after a 4.3 per cent expansion in 1999.

Even the uncertainties over an industry-wide banking merger programme have not deterred investors.

"I don't think the merger exercise will affect the business of banking," said Amin Manap, banking analyst at Mohaiyani Securities.

Merrill Lynch, also upbeat, said Public Bank Bhd OUBM.KL and AMMB Holdings Bhd AMMB.KL were still attractively valued.

"We still see good upside for these companies regardless of how the merger situation pans out," it said in a recent report.

Malaysia has told its 55 financial institutions to merge by year's end. Ten institutions had filed plans as of last month, each of them believed to be aspiring to be a core bank, or the nucleus around which the new groupings will form.

Analysts said Malayan Banking Bhd MBBM.KL (Maybank), the nation's largest bank, is still a buy despite rising sharply in the last few weeks.

Mohaiyani's Amin set a target price of 20 ringgit for Maybank by this year's end, up from 17.60 at Friday's close.

Maybank is due to release on Thursday its financial results for the six months to last December 31.

Barra's The Estimate Directory net profit consensus for the bank for the full year to June 30, 2000 was 1.24 billion ringgit or 53.8 cents a share.

"Maybank's bottomline should benefit from a sharp drop in provisioning charges, and trading gains on fixed income securities," Merrill said in another report.

It said at 17.30 ringgit, Maybank trades on a financial year 2000 price-to-book multiple of 3.9 times, which is a 25 per cent premium to the sector, and a FY2000 price-to-earning ratio of 33.7 times or 43 per cent premium to the sector.

OCBC Securities also picked Maybank as well as Public Bank and Commerce-Asset Holding COMM.KL — the three banks it says do not have to worry about the mergers.

"We are also recommending AMMB for those with a stronger appetite for risk," it said.

AMMB, also vying to be a core bank, is sitting on potential write-backs of 500 million ringgit arising from the buoyant stock market, said Dresdner Kleinwort Benson.

The brokerage said nearly two billion ringgit of AMMB's 5.9 billion of non-performing loans are backed by shares, worth about 600 million ringgit at end-March 1999. The Kuala Lumpur Composite Index has since doubled to 1,000 points from 503.

"Assuming AMMB's NPLs were fully provided as at end-March 1999, there is a potential writeback of 533 million ringgit," it said. The brokerage said it has revised up AMMB's net profit forecast by 14 per cent to 447.7 million ringgit for FY2000.

G K Goh Research said it has raised by seven per cent its forecast for Public Bank's FY2000 earnings due to "higher loan growth assumptions, plus a quicker than expected recovery in broking income."

Managing Director of Limo P T Biswas (L) is seen at the launching ceremony of Mitsubishi electronic products at the Pan Pacific Sonargaon Hotel in the city yesterday.
— Star photo

Asia to see firm export growth this yr

MANILA, Feb 13: After spurring a regional economic recovery in 1999 from a two-year old crisis, Asia's export is expected to grow firmly this year with a more favorable environment and wider world markets, reports Xinhua.

Last year, the upturn in the world electronic market fuelled the growth of Asia's export, which had slowed down of three consecutive years since 1996. The robust economic expansion in the United States and a mild economic recovery in Japan in the year also helped improve Asia's export picture.

Although the growing pace was very slow compared with the pre-crisis level, Asia's export performance was better than expected in 1999. The Philippines' export increased by 19 per cent last year, Singapore 9.5 per cent, Thailand 7.2 per cent, and Malaysia 10 per cent in the first 11 months of the year.

As a main engine for growth in the region, Asia's export expansion enabled the gross domestic product in the developing Asia to rise 5.7 per cent in the year from 2.3 per cent in 1998, a year after the financial crisis swept across the region.

While Asia has a series of problems for further export expansion, the strong demand of electronics in the world market could help the region maintain the growth firmly, analysts said.

"The electronics cycle is just starting to pick up (and) we expect a very strong cyclical upswing," said Rober Rountree, chief strategist of Prudential-Bache Securities in Hong Kong.

Recently, the US Semiconductor Association forecast a 23-per cent increase in Asian semiconductor sales in 2000, and a 25-per cent increase in 2001.

Economists said that overall US consumption may slow down after the US Federal Reserve raised interest rates early this month, but demand for the electronics components that Asia supplies should hold steady.

The restructuring and upgrading of information technology in the United States, Europe and Japan should make those components the last area to cut back, they said.

"The year 2000 looks like it will be pretty strong year for the worldwide semiconductor industry," said Ron Bohn, a US expert of semiconductor research.

As Asia is a major supplier of electronic products to the world market, the strong demand would maintain its export growth this year.

Except electronics, the brisk rebound in Japan's trade with Asia will also stimulate the region's exports this year. Thanks to Japan's economic recovery and the yen's strength against the US dollar, Japan's import from other Asian countries rose to the highest level in 1999.

According to the Japanese Finance Ministry, 3.6 per cent of Japan's total imports came from Asia in the first 11 months of last year, up from 29 per cent a year earlier.

Analysts said that Asia could become the largest trading partner of Japan if the US economy gets weak in the near future.

However, the over-dependence of electronics could weaken Asia's competitiveness in the world markets in the long run. Asia's export growth rate declined steeply from 22 per cent in 1995 to 7.1 per cent in 1996 when the world electronic market experienced a cyclical slowdown.

But Asian countries till now have not undertaken serious adjustments in their export products. At present, electronics still comprises 66 per cent of Singapore's total exports, 60 per cent of Malaysia's and 51 per cent of the Philippines.

If a cyclical downturn comes round again, Asia's exports would collapse again, experts warned.

Besides, Asian's position as electronics workshop to the world is under threat from countries such as Mexico and Hungary, as they are closer to major markets in the Unties States and Europe, when buyers want this goods delivered quickly, traders said.

Therefore, even if Asia could maintain a steady growth in exports this year, economies in the region must find ways to meet the new challenges.

Malaysia, Thailand to bid in open market for rubber

KUALA LUMPUR, Feb 13: Malaysia and Thailand — which have set up a fund to stabilise rubber prices — will bid on the open market for buffer stock held by the International Natural Rubber Organisation (INRO), a Malaysian minister said yesterday, reports AFP.

Primary Industries Minister Lim Keng Yaik said purchases would be conducted in the "normal way" and they would not negotiate with INRO, which is to sell off its stock before winding up.

"We do not expect them to negotiate with us. We will bid in the open and it will be transparent," he told AFP.

Lim said this month that Malaysia and Thailand, among the world's top rubber producers, would set up a 43 million dollar fund to buy up the buffer stock and stabilise prices.

Lim said the goal was to sustain prices and if prices were maintained the fund would not make any bid.

"We are going to do the bid through commercial agencies," he said Saturday. "They are given the task of not allowing the overhang in INRO supplies to have a bearish impact on prices."

Lim said the approach was designed to prevent multinational tyre manufacturers from influencing prices.

INRO has a 140,000-tonne stockpile and aims to sell 34,000 tonnes per quarter from January 2000, market conditions permitting. Sales must be completed by June 30 next year.

Buffer stock manager Arch Roberts said Friday that INRO might start selling its stock soon if prices continue to rise.

He said Thailand and Malaysia were free to bid along with anyone else but INRO would not negotiate directly with them.

Responding to the remarks, Lim said they only strengthened his "belief that he (Roberts) cares more for consuming countries than supplying nations."

The fate of INRO, the 19-year-old organisation linking producers and consumers, was sealed in September after Thailand — the world's largest producer — and Malaysia — third largest after Indonesia — decided to pull out.

They said the organisation had failed to raise prices.