West balks at specific trade concessions at UNCTAD

Negotiators see hope for deal at confce

BANGKOK, Feb 17: Western countries, keen to protect negotiating positions in WTO talks. are balking at offering significant concessions to developing states at a major UN conference, delegates said Thursday. reports AFP.

Industrialised states were stalling particularly on agricultural and market opening issues, at UNCTAD, which comes less than three months after the disastrous WTO Seattle summit.

The most important stumbling block" in the preparation of a draft plan of action of the UN Conference on Trade and Development (UNCTAD) meeting "has to do with the idea of a commitment." UNCTAD spokesman Habib Ouane said.

Industrialised countries are treading carefully at the 160nation UNCTAD talks in the knowledge that commitments they make here will have implications for their WTO negotiating positions, Ouane said.

"Nations which attach the highest importance to the issue of agricultural subsidies will not like to have a language that could be misconstrued once they start negotiations within the WTO," he said.

Ouane said the conference still had to reach agreement on five sections of the draft plan of action, including market access for the world's least developed countries (LDCs), as well as on the specific issue of agricultural subsidies.

Organisers have put forward a proposal, backed by developing countries, for developed nations to grant full market access to the world's 48 poorest countries by waiving duties and quotas for commodity exports.

A UN report released earlier this week said the 48 countries accounted for a mere 0.5 per cent of world trade and that there was a danger of their "in- hope to convince a few other EU creasing marginalization" due members so as to present a to falling commodity prices.

Although there has been "a reasonable degree of progress" in the discussions, industrialised nations are pushing for a "loose formulation" using the term "essentially all products" which would tend "to limit the number of products" to be covered by the declaration, Ouane

Developing nations want the industrialised world to go beyond that an make a "moral commitment" to allow free access to "all products" exported

by the LDCs, he added. Sweden on Thursday urged its European Union (EV) partners to throw open their markets unconditionally, saying excluding some products would devalue any reforms.

While the standing EU offer was also a "major advance" Sweden and the Netherlands "would like to go further" and "more powerful" offer, he added.

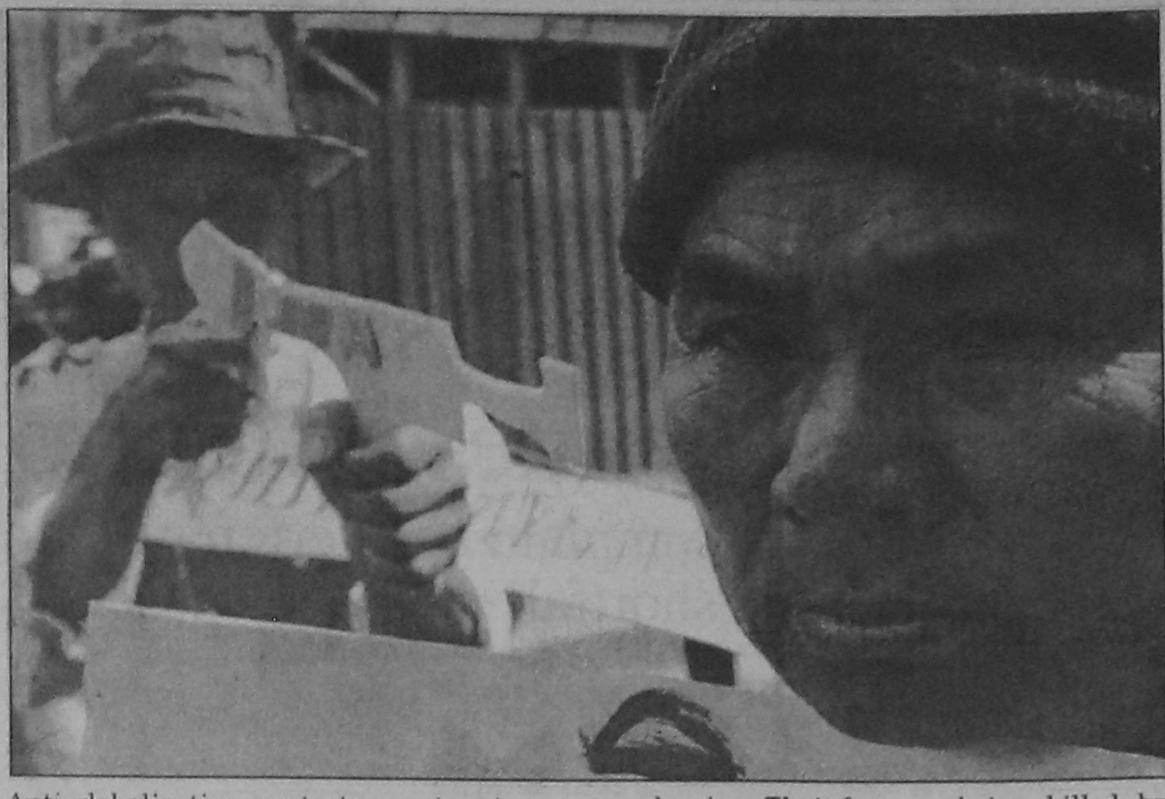
Britain and Denmark have said at the conference they also favour full market access.

Non-government groups attending the UNCTAD meeting said the United States is fighting to remove any reference to "quota-free" market access from the draft plan of action.

Meanwhile, an AP report says: Negotiators at the conference expressed confidence Thursday that they had reached agreement on a programme designed to help reduce poverty through trade.

But the plan they looked set to agree on will have no teeth, committing no one to anything and leaving the big issues on the table to be resolved later by the World Trade Organisation.

The UN Conference on Trade and Development, bringing together 160 countries, is trying to avoid the disagreements that led to the collapse of the WTO's summit in Seattle last year in street protests and acrimony.



Anti-globalisation protesters act out a scene showing Thai farmers being killed by capitalists paid by international institutions to take over their land yesterday in front of the venue of the 10th UN Conference on Trade and Development (UNCTAD). The group of demonstrators presented a letter to UN officials calling on a review of loan conditions set by the Asian Development Bank claiming that Thailand used the money from international financial institutions, such as IMF, WTO and ADB, to save debt-laden banks rather than helping the poor.

govt bonds

TOKYO, Feb 17: Moody's Investors Service Inc. said Thursday it may downgrade Japan's yen-denominated government bond rating, on concern that growing debt could harm the nation's economic recovery, reports AP

The US credit ratings agency said it will review its Aal rating on Japan's yen-denominated domestic securities issued or backed by the Japanese government. The Aal rating is

Moody's second highest. "The review is prompted by structural problems in Japan's economy that have resulted in a level of public sector debt that will soon be the highest, relative to GDP, among the advanced industrial economies," Moody's

Moody's review will examine whether Japan's economic recovery is sustainable enough to help the government pare debt. Tokyo has been issuing a record amount of bonds to pay for public works projects in an attempt to pull the economy out of its worst slump in decades.

Moody's said that the worst of the 1997-1998 economic downturn is probably over. However, corporate restructuring and financial system reforms necessary to revive the economy may not be proceeding fast enough.

"It is unclear whether the reform and restructuring process will reach a critical mass to propel Japan's economy into a higher potential growth path, without which Japan's publicsector debt problem should continue to worsen," Moody's

Japanese officials said the Moody's review is unwarranted.

UK unemployment falls to 20-yr low in January

LONDON, Feb 17: Unemployment fell last month to a 20-year low, the British government announced Wednesday, says AP. The number of people

claiming unemployment benefits decreased by 9,800 in January to 1.158 million, the lowest since May 1980, when it was 1.229 million, according to the office of National Statistics.

Unemployment based on International labour Organisation standards, which includes people not eligible for benefits. dropped by 4,000 to 1.718 million people in the three months ending Dec. 31, the office said.

The ILO unemployment rate for the quarter was 5.9 per cent, unchanged from the previous three-month period. A record 27,580,000 people are now employed, the govern-

ment said.

with OPEC over prices

Oil holds firm near 9-yr high

WASHINGTON, Feb 17: US Energy Secretary Bill Richardson said yesterday he would try to "reason" with leading oil-producing countries in the next few days in hopes they would bring down oil prices, now at their highest level since the 1991 Gulf War. says AFP.

"I'm going to go out to Saudi Arabia, to Kuwait, to Mexico, to Norway in the next few day to try to talk to OPEC and non-OPEC members about the importance of not having energy prices so high," Richardson told CNN television.

The energy secretary was to face Wednesday angry consumer and business representative form New England, where heating fuel and gasoline prices have skyrocketed due to cold weather and a tight market supply maintained by the Organisation of Petroleum Exporting Countries (OPEC).

Richardson said he would talk to the oil-producing nations about the importance "of having more supply of oil on the market, of not getting into a situa tion where markets are affected by individual actions.

"Many of these nations are our friends," said Richardson. "And I think we can reason with them as an international community. And that's what the president has asked me to do." For its part, the White House revealed the United States had had "private discussions" with oil-producing allies about the situation but refused to provide

any details. The energy secretary said US President Bill Clinton might announce a series of new measures later Wednesday to alleviate the price burden on con-

sumers. But he made clear the Clinton administration was unlikely to release oil from the 572 million barrel Strategic Petroleum Reserve as advocated by some

economists "The Strategic Petroleum Reserve is used for national supply emergencies, for a really rainy day," said Richardson. "This is a price problem. We don't want

to manipulate energy markets.' Clinton said Tuesday rising oil prices were "deeply troubling" and said he would examine all options to find a way to reduce

them. "I have not closed off any options. I'm monitoring this on a daily basis," the president told reporters at the White House. Leading OPEC and non-OPEC oil-producing countries

decided last March to cut their

oil output by more than 2.1 million barrels a day and maintain that level of production at

least until March 31, 2000. Tightening supply sent oil prices up after they had hit a slump that bottomed at 10 dollars a barrel in December

US domestic fuel prices have tripled over the past year. On Tuesday, the price for light crude remained above 30 dol-

Richardson's appeal may fall on receptive ears in Mexico, which is concerned by the current level of oil prices and may consider raising its production to alleviate the price crunch. according to diplomats and industry analysts.

A Reuter report from London says, world oil prices held firm near nine-year highs vesterday as fresh signs of depleted oil stockpiles deepened supply worries in the United States.

In the US market March light, sweet crude futures stood just one cent down at \$30.05 a barrel, only 40 cents shy of a post Gulf War hit struck on

North Sea benchmark E-ent blend futures for April delivery closed another 23 cents up at \$27.36 per barrel on London's International Petroleum Ex-

Buoyant prices were supported by a surprise 3.79 million barrel decline in gasoline inventories revealed in weekly figures from the American Petroleum Institute.

President Bill Clinton said Wednesday he would immediately release some \$125 million in funds to help poor families pay their heating oil bills, and would ask Congress for \$600 million more to help families with moderate incomes.

Stable oil prices were needed to help keep the US economy strong, Clinton said, adding that he would not rule out tapping the nation's emergency stockpile toward that end. OPEC producers, together

world supplies.

Dr Mohammed Farashuddin, Bangladesh Bank Governor,

distributes Incentive Awards among the bankers of Agrani

Bank for their success in recovering and renewing classi-

fied loans and advances. MA Yousoof, Managing Director

of Agrani Bank, general managers, divisional heads of the

Head Office, zonal and corporate branch heads were also

present at the prize-distribution ceremony.

with some non-OPEC supplier But the common theme in price fell further. such as Mexico and Norway. have shut off over five million barrels per day of crude to

Moody's likely to downgrade Japan US energy secy to reason Fault for Asian crisis lies with countries: UN

nearly three years of looking for the causes of the Asian crisis. an important verdict came in Thursday - the countries themselves are fundamentally to blame, says AP.

Sure, speculators making profits on overvalued currencies played their role. So did foreign banks, seeking greater returns on loans in Asia than they could get at home.

And certainly, the International Monetary Fund's imposition of high-interest rates that checked off money available for loans, at the time sinking economies needed more of it made matters much worse.

But for Yilmaz Akyuz, the top economic policy officer for the N Conference on Trade and Development, the root blame falls on the countries that were

Akyuz told delegates to UNC-TAD's once-every-four-years gathering, which is hoping to help define world trade in the globalised era to help developing countries, that the crisis had many factors.

the hardest-hit countries was . The move strangled banks. that their governments, once finance companies and corpoconfronted with falls in export rate borrowers who had taken

Loan recovery push

BANGKOK, Feb 17: After of trouble, kept allowing new money to come in from just about anywhere without paying enough attention to the consequences of ill-advised lending. Akyuz said.

"Once your regulatory system

falters, there is no limit to the damage that international finance can play on the economy," Akyuz said. The task unfortunately falls

on the countries themselves, to regulate risk and control international capital flows," he said. Financial crises during the

1990s have erupted on average about twice a year, Akyuz said, including troubles in the United States during the savings-andloan crisis, as well as problems in Mexico, Sweden, Brazil and But the most dramatic

downturn was the one that struck the world's fastestgrowing region, East Asia, in mid-1997 when Thailand was forced to devalue its currency, the baht, after draining its foreign reserves in a futile attempt to stop speculators who were selling it to cash in after the

earnings or other warning signs on billions of US dollars in said.

REDMOND (Washington),

Feb 17: A lobbyist for Microsoft

Corp. peppered lawmakers on

Capitol Hill with e-mails, push-

pany's federal antitrust case

and lambasting the US De-

partment of Justice for dis-

cussing the possibility of a com-

by Microsoft lobbyist Kerry

Knott, the company said it was

willing to accept a "common

sense" settlement, but accused

the Justice Department of

fronting for the company's

- slow Microsoft down with the

equivalent of a regulatory death

sentence while the high-tech

economy whizzes by on Internet

crosoft and the Justice De-

partment are to meet again

Thursday in Chicago with US

Appeals Court Judge Richard

Representatives from Mi-

time," Knott wrote.

"Their reason is clear enough

In the e-mails, sent Friday

pany breakup, reports AP.

ing for a settlement in the com-

short-term, offshore loans now much more expensive to repay - to feed speculative investments that had crashed.

In following weeks and months, one country in Asia after another came under currency attacks by speculators expecting a devaluation. The speculators even tried to strike in economies with massive foreign reserves like Hong Kong, Singapore and Taiwan.

Countries with few external liabilities were the least damaged, but Thailand. Indonesia and South Korea went under bailout programmes led by the International Monetary Fund and Malaysia initially adopted IMF-style austerity programmes.

All except politically troubled Indonesia are now well on their way out of their worst recessions in decades and it's time to see what the real lessons are, Akyuz said.

Lack of adequate regulation over financial institutions, reckless lending by foreign banks who believed governments would bail out bad debts, corruption and inefficient investment all played a part in Asia's collapse.

The same troubles were present in crises elsewhere, Akyuz

Posner, appointed as mediator

by US District Judge Thomas

Penfield Jackson, who is presid-

Steve Ballmer, in an interview

with The Associated Press on

Wednesday, would not comment

on the status of the talks, but

said the e-mail was simply the

company's way of keeping law-

The Justice Department

would not comment on the e-

mail. According to media re-

ports, it is seeking to split the

company up, either along its

various product lines, or ipto

two to three different companies

- dubbed "Baby Bills" after Mi-

crosoft Chairman Bill Gates —

each with a full share of Mi-

teamed with an Israeli-based

satellite company to provide

two-way high-speed Internet

service through the Microsoft

Meanwhile, the company has

Microsoft President and CEO

ing over the case.

makers informed.

crosoft's products.

Network.

Strong democracy

BANGKOK, Feb 17: A stronger democratic system under President Kim Dae-jung helped South Korea accept the pain needed to reform its cconomy and make a spectacular leap out of the Asian crisis, a UN trade meeting was toid

The UN Conference on Trade and Development organis - 1 a symposium on lessons learned from the crisis, which threw much of Asia into recession and fed fears of the globalised economy that the trade conference is trying to address.

Jun Kwang-woo, a special adviser to South Korea's ministry of finance and economy,

The higher cost of labor helped reduce the competitiveness in exports, the foundation of the economy, shifting much foreign investment to emerging

By 1997, a series of defaults and bankruptcies by large corporations raised concerns over creditworthiness, checks and balances were minimal due to the close links between government, banks and giant corporations.

"A critical deficiency that led to the crisis was the absence of democratic political leadership and strong commitment to

Shortly after longtime opposition leader Kim Dae-jung became president, the Asian economic crisis reached Korea. On Dec. 3, 1997, the country went under a dlrs 58 billion

cratic mandate, Kim pushed through economic reforms demanded by the IMF faster and further than many believed possible, reducing the political cover for huge conglomerates.

"The government's policy for fully rectifying the deeprooted causes of the crisis is governed by the philosophy of the parallel development of democracy and market economy." Jun said.

Inclusion of free-trade critics makes UNCTAD talks more positive

BANGKOK, Feb 17: They battled riot police on the streets of Seattle, contributing to the breakdown of free trade talks in December, says AP.

But at this week's meeting of the UN Conference of Trade and Development, free trade critics are attending most meetings and eating at the same restau-

rants as the official delegates. The citizens' groups say their inclusion has helped ease their bitter complaints that ordinary people have been shut out of talks shaping the future of global trade and development affecting the lives of billions of

Even protesters from groups without accredited status have been allowed to approach the conference site, despite an initial plan to confine them to a park two kilometres (1.2 miles)

away. Each day since the conference started Saturday, different protest groups have peacefully delivered petitions to UNCTAD secretary Awni Behnam.

On Tuesday, 500 Thai farmers opposed to trade liberalisation gave him a basket of organic vegetables, while Monday, 200 environmentalists gave nim a red Valentine rose. Activists give much of the

credit for their inclusion at UNCTAD to Thai organisers and to UNCTAD Secretary-General Rubens Ricupero, who scheduled a pre-conference caucus of non-governmental organisations to solicit their views.

The NGOs have been given a meeting room within the conference building and are allowed to attend most sessions and hold briefings and news conferences. In Seattle, many activists

were accredited to the WTO meeting and allowed inside to rub elbows with trade ministers and journalists, though they were kept out of closed negotiating sessions. But outside the talks in

Seattle, tens of thousands of people protested against globalisation, some blocking roads and preventing trade ministers from getting into meetings. A few staged violent rampages downtown, prompting the mayor to declare a state of emergency

Bangkok fretted over becoming Seattle, Round II. So Ricupero made including citizens' groups "a priority task" and to undertake this effort."

committed himself "personally Although a formal discussion between citizens' groups '

and Ricupero failed Tuesday to bridge many differences in views, the activists said they were generally pleased. "We must credit Mr. Ricupero

for working hard to include NGOs in this process," said Walden Bello, a Philippine activist who heads the Thai-based Focus on the Global South. "It certainly was a sincere process. The most notable problem

occurred when a lone American protester accredited to the meeting got close enough to International Monetary Fund chief Michel Camdessus to smash a pie in his face. But while activists praise

UNCTAD's attempts at openness, they say they're still largely locked out of the more powerful World Trade Organisation, which sponsored the trade talks that collapsed in Decem-While UNCTAD researches

ways that trade can help poor

countries, the WTO brings gov-

ernment negotiators together to seek international agreements that regulate trade. "We still have to pry open the WTO," says Martin Khor, head of the Malaysia-based Third World Network. "Although the situation is improving some-

what, by and large NGOs arc

still in the dark regarding the WTO.

- Agrani Bank photo

Worse, he says is that officials from poor countries are often not included in key WTO negotiations, which for efficiency typically involve only a handful of the members mostly from the rich and powerful countries. "It's totally unbelievable,

Khor says. Of the WTO's 136 members, between 30 and 40 are unable to afford a mission in Geneva, where the WTO is based, so they can't participate. Others have only one representative, who cannot attend all meetings, even if invited.

Thai Deputy Prime Minister Supachai Panitchpakdi, who takes over the WTO's leadership in 2002, says he hopes to find ways to make it more transpar-"We are deliberating the

niches and methods for in-

creased civic participation,"

Supachai says. "It's being given

really intensive attention. Among the steps being considered, he says, are faster declassification of documents and forums at which citizens, groups can learn about the status of negotiations and express their views.

Successful Agrani Bank officials get incentive awards Agrani Bank has taken up

an extensive programme to achieve the goal of recovering and renewing classified loans, says a press release. The bank has introduced

various schemes of rendering incentives and selecting the best banker at the branch and zone levels in addition to the waiver and rebate facilities for the borrowers with a view to inspiring them to pay their debts. The bank initiated the crash programme of direct and close

monitoring from the head office to strengthen its loan recovery activities. It succeeded in recovering and renewing classified loans of Tk. 576 crore by December '99,

which is 81 per cent of the car-

Governor of Bangladesh Bank, Dr. Mohammed Farashuddin, distributed incentive awards among the successful bankers of Agrani Bank's 7 Zones and Corporate Branches and 54 branches at a ceremony held in the city recently.

Iraq accuses UN of misusing food-for-oil fund

DUBAI, Feb 17: Iraq's trade minister said yesterday that its oil-for-food programme was being used to fund UN operations in Iraq rather than assisting people suffering under interna-

tional sanctions, says Reuters. Trade Minister Mohammed Mehdi Saleh also said Hans Von Sponeck, the United Nations' top humanitarian official in Iraq, and his predecessor had both resigned in protest over US and British policy against Iraq.

achieved an easing of the suffering of the Iraqi people," the minister told reporters during a brief visit to Dubai. He said the "oil-for-food programme had become the programme of oil-for-financing

"The oil-for-food pro-

gramme has not in any way

Von Sponeck tendered his resignation after criticising the plan, which allows Iraq to trade oil for basic supplies under close UN scrutiny. Von Sponeck's predecessor.

Denis Halliday of Ireland, left

his post in mid-1998 after voic-

the spending of the United Na-

ing similar views. "They could not tolerate participating in the slaughter which America and Britain, practised against the Iraqi people," Saleh said

Senior govt economist says China needs reform

to revive FDI

Microsoft lobbies US

Congress to

avoid split

BEIJING, Feb 17: China: should revamp its regulations on foreign investment to help boost capital inflows as it braces for WTO entry, a senior government economist said, reports Reuters. "Joining the WTO will cer-

tainly be favourable for foreign investment," said Ma Yu of the Academy of International Trade Economic Cooperation, a think-tank affiliated to the Foreign Trade Ministry. China singed a historic trade

pact with the United States in November that clears its way to membership of the World Trade Organisation and holds talks with the European Union on a similar deal next week. Under the Sino-US accord China agreed to lower tariffs

access to its banking, telecommunications and insurance sectors. But foreign firms in China will still face myriad restrictions ranging from licencing,

and give foreign investors wider

geographic and equity limitations to export requirements. Ma said foreign investment. which declined last year for the first time in more than two decades, would not regain momentum unless the government, ment.

eased some of the restrictions. "It will be very difficult if we continue to apply the examining-and-approving system on foreign investment," he said. "It's no longer necessary to

set equity limitations on foreign investors in manufacturing industries, Ma said. China still maintains a 50

per cent limit on foreign in vestment in automobile and several other industries. For eign banks and insurance companies wait patiently in long queues for licences to operate. Actual foreign direct in

vestment (FDI), a main engine of the economy, fell to \$40.4 billion last year from a record \$45.6 billion in 1998, according to official statistics. "The FDI could decline fur

ther this year, probably lower than \$40 billion," Ma predicted. China's contracted FDI slipped 18.9 per cent last year to \$41.2 billion, official data showed. The importance of money

from abroad is reflected by the fact that foreign-invested firms produced nearly half China's exports last year and around 15 per cent to fixed asset invest-

Thailand wants Gulf states at ASEAN meet

as observer BANGKOK, Feb 17: Thailand will invite Gulf States to attend a Southeast Asian foreign ministers' meeting to promote busi-ness and trade, Thailand's foreign ministry spokesman said Thursday, says AP.

Thailand is current chairman of the Association, of Southeast Asian Nations and will host the July meeting in Bangkok. Invited as observers will be Saudi Arabia, Kuwait, Oman, Qatar, the United Arab Emirates and Bahrain, said spokesman Don Pramudwinai. The countries are all mem-

Council The initiative comes as Thailand strives to normalise relations with Saudi Arabia. soured for the past decade by killings of Saudi diplomats and a scandal over game stolen from a Saudi prince by a Thai

bers of the Gulf Cooperation

worker in 1989. On Wednesday, Thai Foreign Minister Surin Pitsuwarn met with Saudi Commerce Minister Osma Faqueeh, who is in Bangkok for the UN Conference on Trade and Development.

UNCTAD is the first major

trade forum since last year's acrimonious World Trade Organisation summit in Seattle. The visit by the Saudi minister is the highest diplomatic contact with Thailand since Rivadh recalled its ambassador

in 1989. Osma Faqueeh also met earlier this week with Thai Commerce Minister Supachai Panitchpakdi to seek his support for Saudi Arabia's accession to the WTO, which Supachai has been selected to lead from 2002.

lifts ROK out of Asian crisis

Thursday, says AP.

said in a report that the economy had been showing signs of vulnerability since the early

economies in Southeast Asia.

reform," Jun said.

IMF bailout programme. Strengthened by a demo-

The unemployment rate increased from 2.7 per cent in October 1997 to peak at 8.7 per cent in February 1999 and remains double the pre-crisis rate at about 1 million people. Overall income has shrunk and the gap between rich and poor

GIC profits up 24pc in '99

KUWAIT CITY, Feb 17: The Kuwait-based Gulf Investment Corp. (GIC) today announced a net profit of 120.4 million dollars in 1999, up 24 per cent on 1998, says AFP. GIC chief executive officer

Khalid al-Fayez said the rise came from the "improvement in performance from all lines of business." A "favourable business environment in international financial markets and GIC's contin-

ued efforts to reduce volatility in earnings by reducing emphasis on its securities trading businesses" had also helped boost net income, GIC said. Total assets increased by 44 per cent to 19.5 billion dollars

from 13.5 billion dollars in 1998, it added in a statement. "The majority of the increase in assets can be attributed to the acquisition (in March 1999) of Saudi International Bank (SIB) by GIC's banking sub-

sidiary in Bahrain, Gulf International Bank (GIB)," it said. GIC is a joint venture of the Gulf Cooperation Council which groups Kuwait with Bahrain, Oman, Qatar, Saudi Arabia and the United Arab Emirates. It is active in regional and international financial and capital

markets. The corporation holds a 72.5 per cent stake in GIB.