

# Pressure mounts on US Senate for quick China vote

Delay seen putting bill in trouble

WASHINGTON, June 17: As the White House stepped up pressure on Republican Senate leaders to schedule a quick vote on a landmark China trade bill, the leading Senate Democrat said on Friday that delay could put it in trouble, reports Reuters.

Senate Democratic Leader Thomas Daschle of South Dakota told reporters he was worried that delaying a Senate vote on the bill, which would grant China permanent normal trade relations (PNTR) status, could "clearly" endanger its passage.

The White House had hoped for fast Senate action after the bill passed the House of Representatives in May by a comfortable margin despite a bruising battle that divided Democrats and pitted labour unions against international corporations.

But Senate Majority Leader Trent Lott, a Mississippi Republican, has refused to schedule a vote, saying lawmakers

first had to complete key spending measures. The delay means the bill, which President Bill Clinton has said is a top legislative priority in his final year, may not go before the full Senate before the end of the month when lawmakers are scheduled to recess for the July 4th holiday.

The measure is expected to win easy passage in the Senate, but Daschle said some Republicans have suggested the vote could be put off until September, which would bring the politically sensitive issue much closer to the November presidential and congressional elections.

"We have fewer than 35 legislative days remaining in this Congress," Daschle told reporters. "I think that it would be devastating if we lost PNTR just because we've run out of time. But that is very possible, especially if we wait until September."

He expressed concern that some Republicans may be try-

ing to play election-year politics because the issue bitterly divides Democrats.

"It is no secret that this is not an easy issue for a lot of Democrats," Daschle said. "This is divisive. A big part of our base is very concerned about the implications of PNTR. Clearly the longer this hangs out there the more problematic it is."

Labour unions, a key Democratic support group, bitterly oppose the trade bill, which would end the annual ritual of reviewing China's trade status. Granting the normal trade relations status, which allows Chinese goods to enter the country at the same low tariffs placed on goods from nearly every other country, was part of a landmark trade agreement clearing the way for China to enter the World Trade Organisation.

US Trade Representative Charlene Barshefsky, who negotiated the sweeping trade deal that would help open China's vast market potential to US firms, also ratcheted up the

pressure on Friday for a quick Senate vote.

"Delay in this is counterproductive and potentially very dangerous and could put in jeopardy the gains achieved in the House of Representatives. That would be entirely irresponsible," Barshefsky told reporters on Friday following a speech to a business group.

"Delay... always leaves room for mischief and is counterproductive," she added.

But some supporters of the China trade bill have all but given up hope of a Senate vote before Congress' July 4 recess.

Montana Democratic Sen. Max Baucus, a member of the Senate Finance Committee, plans to meet with Lott next week to seek a commitment for a vote by the end of July, his spokesman Mike Siegel said.

Clinton on Thursday made the case for moving swiftly to a Senate vote at a meeting of the Business Roundtable, a group of top corporate executives.

## China's exports to Asia rise by 38.8pc

BEIJING, June 17: China's exports to its Asian neighbours grew 38.8 per cent year-on-year to \$49.05 billion in the first five months of this year, according to customs figures released today, reports Reuters.

Xinhua news agency quoted the General Administration of Customs as saying exports to North America rose 29.9 per cent year-on-year to \$20.1 billion, while those to Europe grew 38.5 per cent to \$17.23 billion.

The breakdown follows the release on Thursday of Foreign Trade Ministry data showing exports shot up 36.8 per cent year-on-year to \$92.28 billion in January to May, continuing a surge from a low 1999 base. Imports were \$81.82 billion.

The trade surplus for the five-month period was \$10.46 billion, an increase of 47.9 per cent over the \$7.07 billion surplus China reported in the same months of 1999.

In May, exports rose an annualised 29.6 per cent to \$20.1 billion, while imports increased 24.3 per cent to \$16.96 billion, producing a trade surplus of \$3.14 billion.

Customs figures showed that exports by state-owned enterprises rose 34.9 per cent to \$44.8 billion, with state sector exports accounting for 48.5 per cent of the January-May total value of exports.

Exports by foreign-invested firms rose 34.7 per cent to \$42.9 billion and accounted for 46.5 per cent of all January-May exports, the data showed.

Exports by collectively owned and private firms rose 91.6 per cent to \$4.58 billion and accounted for five per cent of exports, Xinhua said.

The value of exports of machinery and electronic products, one of the mainstays of China's overseas sales, rose 40.5 per cent to \$37.8 billion, according to customs data.

According to a Reuters poll of 10 research houses issued on Friday, China's trade surplus is likely to be around \$27.4 billion in 2000 and \$25.1 billion in 2001.

## Indonesia to start massive rice growing project

JAKARTA, June 17: The Indonesian government is planning to embark on a massive project to maintain the country's rice output, opening up some two million hectares (49 million acres) of new paddy fields, the state Antara news agency said today, reports AFP.

The expansion of paddy fields is an urgent programme, the agency quoted Director General of Agricultural Facility and Infrastructure Ato Suprpto as saying on Friday.

Suprpto said the project would be started outside overcrowded Java island next year in the provinces of West Kalimantan (Borneo), South Sumatra, Jambi, Riau, and Bengkulu.

The agriculture ministry would cooperate with the ministry of housing and regional development and the office of the state minister of transmigration with funding assistance sought from the World Bank, the Asian Development Bank and donor countries, he said.

Suprpto quoted a Central Bureau of Statistics (BPS) report as saying the amount of land devoted to rice paddies on Java island had shrunk by one million hectares between 1983 and 1993.

"If the domestic rice production is not enough to meet the people's demand for the food stuff, we will likely become the world's biggest rice importer," he said.

Antara said per capita rice consumption in Indonesia, which has a population of some 210 million people, was currently at 139 kilograms (306 pounds) annually.

The country's unshucked rice production reached 50.6 million tonnes in 1999, close to the government target of 52 million tonnes, leaving a shortfall of some 1.3 million tonnes.

## Thailand shows continued signs of recovery

IMF rescue programme ends tomorrow

BANGKOK, June 17: with an International Monetary Fund rescue programme scheduled to end on Monday, Thailand shows continued signs of an export-fueled recovery from its greatest economic crisis in modern times, analysts say, reports AP.

Economic growth figures for the first quarter of 2000, to be released Monday, should show a continuing positive trend despite a slight slowdown in the manufacturing sector, regional economists said prior to the release. Unemployment is also easing.

The economists forecast gross domestic product growth in the January-March quarter at 5.2 per cent. Their forecast for GDP growth for all of 2000 was 4.98 per cent, compared with the government's target of 4.5 per cent.

The full-year projection by several analysts interviewed was in line with the IMF's projection of 4.5-5.0 per cent.

An IMF team has just completed its final review of the Thai economy under the 34-month, \$14 billion rescue programme.

Thailand's economy had begun to recover in the first quarter of last year from a crisis which sent the country reeling downwards in mid-1997 and spread to other Asian nations.

The IMF stepped into provide a cash injection and advice on needed reforms.

Thailand's export performance in the first quarter has generated higher trade and current account surpluses, offsetting higher capital outflows and providing a boost to the economy, Citigroup economist Anusorn Tamajai said. Exports were up 30.4 per cent over the first quarter of last year, according to the Bank of Thailand.

Growth in manufacturing, however, has been limited to export-related sectors, while others are still struggling with domestic oversupply and sluggish consumption, economists said.

ABN Amro's Kevin Ng said exceptional circumstances in the energy and food and beverage sectors were a drag on production growth.

Liquor distilleries were running down stockpiles produced during the fourth quarter of last year, prior to the end of state concessions and liberalisation of the sector. And production at

oil refineries dropped due to closures for repairs and maintenance.

Standard & Poor economist David Cohen said slower growth in manufacturing would mean moderate quarter-on-quarter growth and group Thailand with Indonesia and the Philippines, where a moderate pace of economic recovery continues, but where growth is not as robust as in South Korea, Malaysia, Singapore and Taiwan.

Economists said domestic consumption was picking up, but the pace of recovery was restrained by the still high level of non-performing bank loans, which account for more than one-third of total lending.

"We see a gradual decline in non-performing loans, but it's very slow," Ng said.

Sectors saddled with over-supplies, relatively weak domestic demand and companies mired in debts are also restraining investment, and will continue to do so for some time, economists said.

The government projects that unemployment should drop to 3.2 per cent at year's end, from 4.2 per cent at the end of 1999.

Base Metals: Bright. Base metals continued to rise, led higher by Aluminium, which gained from an announcement by Kaiser metals group that it would temporarily suspend production in Washington state because of higher electricity prices there.

Prices also gained from predictions that the US Federal Reserve Bank will refrain from a near-term interest rate rise, given subdued inflationary pressures in the United States.

Three-month nickel prices on the London Metal Exchange were unchanged at \$2,440 dollars a tonne.

Three-month copper rose to 1,788 dollars a tonne from 1,742.5 dollars.

Aluminium rose to 1,569 dollars a tonne from 1,202 dollars a tonne.

Zinc rose to 1,142.5 dollars a tonne from 1,119 dollars.

Lead remained unchanged at 430 dollars a tonne.

Tin rose to 5,455 dollars a tonne from 5,385 dollars.

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## Metal: Weekly Roundup

# Gold goes up in volatile trade, silver static

LONDON, June 17: Gold prices strengthened in volatile trading as economic data suggested a slowing of the US economy and weakened the dollar, reports AFP.

On Tuesday, gold climbed to its highest level since February as investors turned to the traditional safe haven after the US dollar fell.

The spot price on the London Bullion Market weakened later in the week to 290.30 dollars an ounce, but remained well above the 285.15 dollars seen the previous week.

Analysts said that the price rise was a consequence of dollar weakness. The dollar was pushed lower against major currencies after the publication of benign retail sales data, which suggested the US Federal Reserve might leave interest rates where they were for the time being.

Analysts said the price rise had nothing to do with an announcement that Toronto-based Franco-Nevada Mining Corporation and Johannes-

burg-based gold Fields Limited are to merge to form one of the world's largest and strongest gold companies.

Prices have not been this high since February when gold rose to more than 320 dollars an ounce after the second-biggest Canadian producer Placer Dome said it would suspend hedging activities for an unspecified period.

Since then prices have been progressively eroded, notably by announcements concerning central bank auctions of their gold reserves.

Silver: Flat. Silver prices remained unchanged amid extremely tight trading volume.

Cash prices on the London Bullion Market held at 5.06 dollars an ounce.

Platinum and Palladium: Rise. The price of these two sister metals rose slightly amid thin volumes as Russian exports remained scarce.

Platinum rose to 542 dollars an ounce from 539.9 dollars.

Palladium rose to 669 dollars an ounce from 644.2 dol-

lars.

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