

Clinton signs China trade bill

Beijing hails signing, looks forward to better ties

WASHINGTON, Oct 11: President Bill Clinton signed a law Tuesday that permanently normalises trade relations with China and could yield billions of dollars in new sales for US farmers, manufacturers and service companies, reports AP.

This is a great day for the United States, and a hopeful day for the 21st century world, Clinton said just before signing the legislation in a ceremony on the White House South Lawn.

In case you all have forgotten, this thing was hard to pass. This was a lot of trouble, Clinton said. But he told lawmakers who came to witness the signing that they will not regret their decision to approve the bill.

"I do think this is a good economic deal for America," Clinton said. "But by far, I think, the most important reason to ratify this agreement is the potential it gives us to build a safer, more integrated world."

Increased competition inside China, however, is expected to result in massive layoffs, especially in China's state-run companies.

The House approved the legislation normalising trade relations in May. The Senate passed it on Sept. 19. The measure revises a law from the mid-1970s that subjected trade relations with communist states to annual reviews.

The legislation is an outgrowth of a US-China agreement last fall under which China, as a condition for entering the World Trade Organization, agreed to open its markets and reduce tariffs.

Clinton has argued that the more China opens its markets to US products, the more fully it will unleash the potential of China citizens.

It is China's 1 billion residents that US business is eyeing.

Labour, conservative groups and human rights campaigners

had argued that the annual review allowed the United States a chance each year to pressure China on human rights, trade practices and weapons exports.

After it enters the WTO, China's tariffs on US-made goods would drop from an overall average of 25 per cent to 9 per cent by 2005. Negotiations at the WTO's Geneva headquarters, however, recently stalled after three weeks of discussions in which the Chinese negotiators appeared to be backpedalling on agreements made with the United States or other nations.

"We remain engaged with the Chinese about implementing PNTR. There are some very important issues we have to address," White House press secretary Jake Sawyer said Tuesday. US Trade Representative Charlene Barshefsky has been in touch with them and we will continue to talk about the im-

portance of implementing this agreement in a way that actually makes it work, and so the Chinese government not only lives up to the spirit of the agreement, but to the letter of the agreement.

Barshefsky is set to leave as early as this week for Beijing to help clear the way for China's initiation into the WTO.

Barshefsky spokeswoman Amy Stilwell emphasized Monday that Barshefsky's trip was not aimed at reopening any parts of the deal the United States made with China last November. The Chinese know that the only way they will enter the WTO is by sticking to the terms of their agreements, she said.

"She (Barshefsky) is not carrying any new proposals with her," Stilwell said.

Meanwhile, a report from Beijing says: China welcomed US President Bill Clinton's signing of a bill that ends the annual debate on Beijing's trade status, saying the move would foster better overall relations.

The measure, extending permanent normal trade relations, or PNTR, to China, meets the "fundamental interests of the people of the two sides," the government's Xinhua News Agency said Wednesday in a brief report on the signing.

Ending the annual review of China's trade privileges "benefits the advancement of China-US trade cooperation and the continued forward development of relations between China and the United States," Xinhua said.

The annual review had been a source of added friction between Beijing and Washington, perennially at odds over Taiwan, weapons proliferation and the US military presence in Asia.

China's US foes used the annual review to pressure China on rights, trade practices and weapons exports, drawing furious accusations of wrongful interference from Beijing.

Move to boost restructuring 135 Daewoo Motor executives resign

SEOUL, Oct 11: The top 135 executives of South Korea's bankrupt Daewoo Motor Co. resigned today to help the troubled firm speed up its restructuring, officials said, reports AFP.

The resignations of the Daewoo Motor chiefs at home and abroad, including presidents Jung Ju-Ho and Kim Shin-Jung, were sent to creditor banks.

The resignations came as five creditor banks extended another 100 billion won (90 million dollars) in funds to help the carmaker keep going, the main creditor Korea Development Bank announced.

Daewoo Motor spokesman Lee Chang-Won said the 135 had resigned "to take responsibility for the company's woes. But creditors will decide whether to accept their resignations."

The move is designed to speed up its restructuring. We

also hope it will accelerate the company's sale," he said. Talks started Monday on the sale of the bankrupt automaker to General Motors Co. and Fiat SpA. Ford Motor Co. pulled out of a 6.9 billion dollar deal in September, plunging the firm, its creditors and financial markets into new uncertainty.

Daewoo Motor has sacked 93 top officials and 1,500 junior officials since its parent group was declared bankrupt in August last year with 80 billion dollars of debt.

Daewoo Motor's sale is the centerpiece of the dismantling of the Daewoo group, once South Korea's second largest conglomerate.

CM is now seen as the only possible savior but creditors worry the deal will drag on because of Daewoo Motor's murky accounts.

Daewoo Motor's debt was estimated at 18 trillion won (16 billion dollars), compared to assets worth 12 trillion won at the end of last year. Analysts have warned that creditors risk heavy losses as the debt has continued growing.

Following Ford's dramatic pullout, CM had expressed worries about Daewoo's mounting losses.

The latest funds from banks came after Daewoo asked last week for a new lifeline.

Daewoo officials said they were ready to swallow sweeping cuts in the 22,000 workforce in South Korea to turn around the company.

Creditors have said they would consider selling the firm and its affiliates separately instead of as a package if necessary.

But Daewoo's union suggested the company should be nationalized if the deal with CM breaks down.

CM, which owned half of Daewoo Motor under a 15-year joint venture until 1992, initially bid four billion dollars for Daewoo in June in alliance with Fiat. The new price is likely to be lower, analysts said.

EU conditionally okays AOL's \$129b takeover of Time Warner

BRUSSELS, Oct 11: The European Commission on Wednesday conditionally approved America Online's US\$ 129 billion acquisition of Time Warner Inc., removing another obstacle in the proposed combination between the world's largest Internet and media companies, reports AP.

Under terms of the approval, AOL and Time Warner agreed that they will not unfairly muscle out rivals from the emerging media and entertainment markets, the Commission said.

In a statement, the executive commission of the 15-nation European Union said that AOL is to sever its structural links with German media giant Bertelsmann AG.



A Chinese cleaner mops the floor in front of an advertisement for a soon-to-open western fashion boutique by an international designer at one of Beijing's up-market shopping malls yesterday. US President Bill Clinton Tuesday signed into law a bill granting China permanent normal trade relations (PNTR). The US Senate voted 83-15 to approve the hotly-contested bill, which slashes US tariffs on Chinese exports in return for a promise by Beijing's Communist leaders to throw open their market of more than one billion people to US firms. -- AFP photo

Firestone may be forced to cut output

DETROIT, Oct 11: Firestone's newly-appointed chief executive officer said yesterday the tire maker, struggling to reverse falling sales since its August recall of 6.5 million tires, may have to cut production at its plants, reports Reuters.

John Lampe also told the agency in a telephone interview Firestone, a unit of Japan's Bridgestone Corp., also will launch an advertising campaign to rebuild the Firestone brand image once the recall is completed.

"We'll do some adjusting of inventories and that might be slowing down some production or taking some production out temporarily, but we're certainly not to the point where we're having to look at closing plants," he said after a management shake-up that saw his predecessor Masatoshi Ono retire.

Firestone, under growing public pressure, recalled 6.5 million tires on Aug. 9 because of possible safety problems. US regulators have received reports of at least 100 deaths linked to peeling treads and blowouts on Firestone tires. The tires were sold as standard equipment on Ford Motor Co.'s explorer sport

utility vehicles. Lampe, 53, the first American to lead Firestone since Bridgestone bought it in 1988, said his first order of business will be completing the recall as quickly as possible.

Firestone's goal is to finish in November so it can put behind it one of the biggest US consumer product liability issues in years.

That will be followed, he said, by an advertising campaign to rebuild the badly damaged reputation of the Firestone brand, which has been involved in the three largest tire recalls in US history. The current recall ranks as the second largest.

"We have very detailed Firestone rebuilding campaign that we will initiate that will include some advertisements to reach out and touch the customers," Lampe said. "Obviously it's not an overnight programme. It will take some time. The first step of that is to get the recall completed."

Whatever decisions have to be made to save the Firestone brand, Lampe said he will be the person making them.

"I have been given the responsibility and corresponding authority," Lampe said. "I will have freedom of my decisions

on running the day-to-day operations. Obviously there will be things that I want to confer with Bridgestone Corp. about and get some guidance and some suggestions."

The difference between this recall and Firestone's 1978 action - still the largest in US history - is that it has Bridgestone's strong financial and technology backing the company, said Lampe, a 27-year Firestone veteran who joined the company after graduate school.

Lampe said Firestone's retail sales to consumers have fallen since the recall, but declined to say by how much. He disputed an analysis by UBS Warburg estimating Firestone will initially lose about half its 10-per cent US market share from the recall but slowly recover.

"It's certainly fallen in the last two months, but we're still selling a lot of tires," said Lampe, who added Firestone will not cut prices or offer discounts to lure back customers.

Bridgestone President Yoshiro Katsuki, however, said last week the recall crisis could cause Firestone's annual sales to fall by \$1.3 billion, or about 20 per cent.

Lampe, who came up

through the sales and marketing ranks, has held positions in Europe, Asia and Latin America. In 1991, he took over as head of the company's entry-level Dayton brand and turned it around.

Most recently president of the company's tire sales unit, Lampe took the lead role in defending Firestone during Congressional hearings last month, acknowledging the company "made some bad tires." In fact, he is scheduled to give a deposition this week in one of the numerous lawsuits Firestone faces over the tires.

Lampe also hopes to meet with Ford CEO Jac Nasser, who blamed the accidents US highway safety officials are investigating fully on Firestone. The two firms' relationship dates back almost a century.

"I would like to talk with Mr. Nasser and make sure he understands we would like this relationship to continue," Lampe said.

Lampe dismissed suggestions that Isao Togashi, a top Bridgestone manufacturing executive, was being brought over from Japan to head Firestone's manufacturing because of manufacturing flaws at US plants.



Members of the Malaysian Trades Union Congress (MTUC) demonstrate outside the labour minister's office in Kuala Lumpur, 11 October 2000. Hundreds of workers protested for the first time in more than a decade to demand for quick actions by the government to resolve industrial disputes. The banner expresses the MTUC's protest against the government's delay in settling disputes which are long overdue. --AFP PHOTO

Bad loan strains cast shadow on Taiwan

TAIPEI, Oct 11: A bad-loan time bomb is primed to explode in Taiwan - and the ticking is getting louder.

When the bomb does go off, it will not pack the same charge that wreaked havoc on other economies since Asia's 1997-98 financial crisis, says Reuters.

Taiwan's bad debt problem has been allowed to fester for several years but policy-makers and analysts say it need not cause major economic damage provided it is defused properly.

"Some private banks and some local financial institutions are in quite bad shape, but the publicly owned banks are safe," Po-Chih Chen, chairman of the

Council for Economic Planning And Development, told Reuters. "The situation is not that terrible."

John Caparuso of Salomon Smith Barney broadly agreed, describing the banking system as fundamentally solvent and stable. "The banks aren't under enormous pressure," he said.

And that Caparuso says, is precisely the problem. He estimates non-performing loans in the banking system at around 10 per cent of national income - about twice the officially reported level but only a quarter of Thailand's NPLs at their peak.

"In some ways, we haven't

had a deep enough crisis in this country, so there hasn't been a catalyst for meaningful reform," Caparuso said.

Things now though are changing. A spreading credit crunch, growing fears of financial distress among heavily indebted business groups and an enduring real-estate slump are among the factors belatedly prodding the authorities into action.

Vice Premier Lai In-jaw announced that the young government of President Chen Shui-bian was planning measures to spur competition and consolidation in an industry

that analysts say is grossly overbanked and inefficient. Return on equity (ROE) regularly exceeded 20 per cent until 16 new banks were allowed to enter the market in 1993.

The government recognises the need to boost the efficiency of its financial services industry, which will face much stiffer competition once Taiwan joins the World Trade Organisation.

As in most Asian countries, many loans have been extended largely on the strength of personal and political connections and not commercial considerations.

Farmers agitate in N Punjab over unsold paddy

AMRITSAR, Oct 11: Tens of thousands of angry farmers in the northern Punjab state burned their rice paddy and blocked major highways and railroad tracks Tuesday to protest the government's refusal to buy their produce, reports AP.

The Food Corporation of India, the principal state-run company that buys foodgrain for the government, says that 80 per cent of the rice yield in Punjab this year is blighted and below the required standard.

Thousands of tons of rice crop lay wasting under the open sky in the grain markets of Punjab, which has been India's primary food producer for more than a hundred years.

In some areas, angry farmers snarled trucks and agricultural experts who came to take samples of the rice, and demanded that their produce be purchased immediately.

China not considering devaluation of yuan

SHANGHAI, Oct 11: China has not changed policy on its yuan currency, a central bank spokesman said today in response to rumours that Beijing was considering a devaluation, reports Reuters.

Analysts said China was taking a number of steps of relax its rigid currency regime ahead of entry to the World Trade Organisation, but that they were convinced a move to devalue the currency was not on Beijing's reform agenda.

"The policy is the same as before," the spokesman told Reuters.

The Thai baht touched a new 27-month low in early Asian trade following sustained weakness in regional currencies and renewed market speculation that China might soon devalue the yuan, dealers said.

Analysts said the yuan rumours were probably the work of speculators, noting that Dai Xianglong, governor of the central People's Bank of China, said on Tuesday that Beijing would maintain the "basic stability" of the yuan.

"That's why I find these rumours quite ridiculous," said Chi Li, regional head of research for treasury at Standard Chartered Bank in Hong Kong. "I don't see that there is any substance in the devaluation rumour."

Some speculators may be trying to capitalise on jitters related to news about China's slowing progress towards WTO entry and the Haitian International Trust and Investment Corp's (HTIC) default on a Samurati bond, Lo said.

"These have all happened in the past two weeks or so," said Lo. "There are people who just

put all these together and provoke some other rumours like a devaluation to see how far they can push the market, and see if they can make some money off of it."

China is taking a number of steps to ease its controls of the yuan ahead of WTO entry, including widening the tiny trading range on the yuan, liberalising interest rates and, eventually, seeking convertibility of the yuan on the capital account.

The currency is convertible only on the current account.

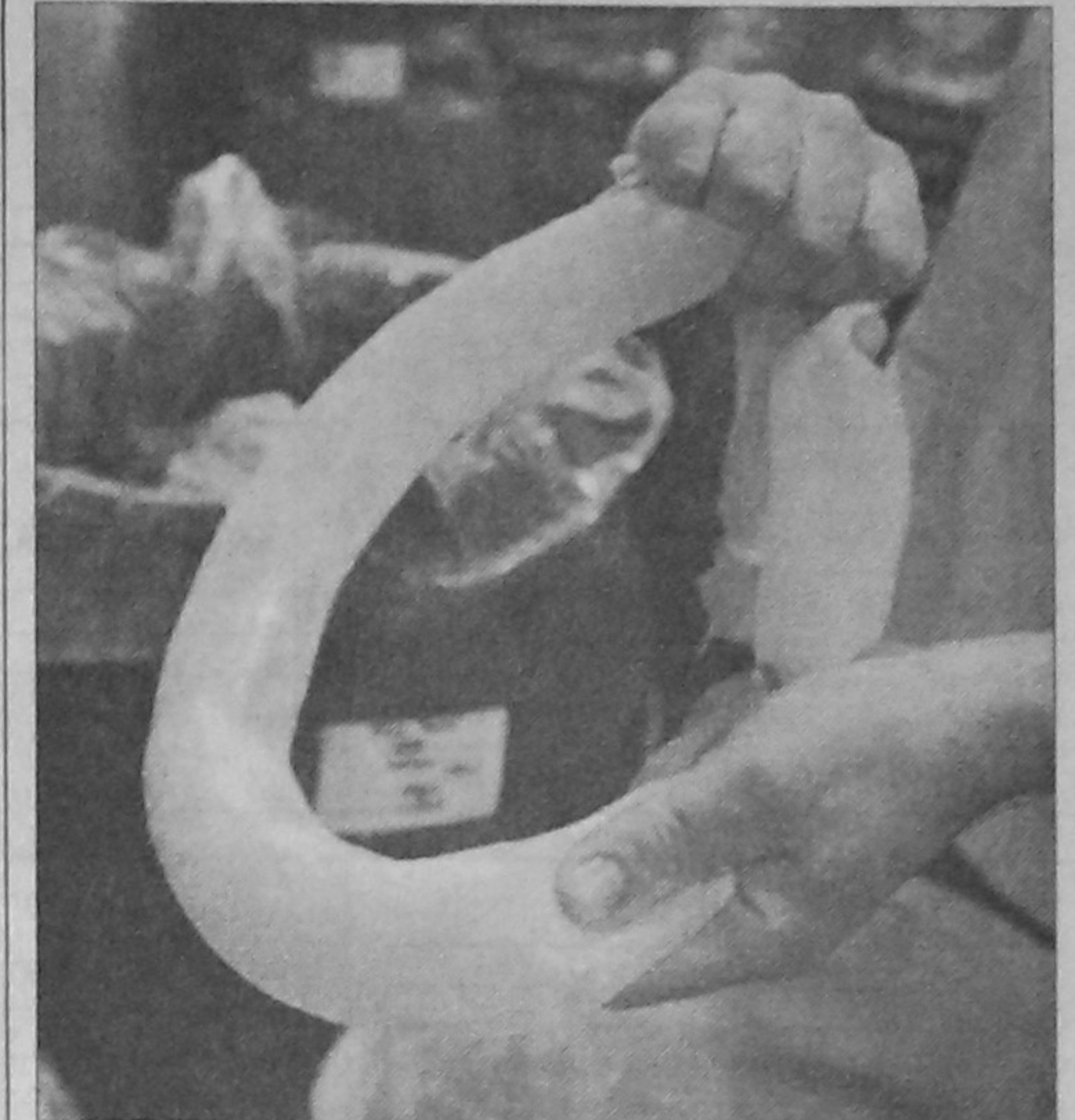
China says it maintains a managed float of the yuan, but in practice keeps it fixed in a tight band between 8.2770 to 8.2800 to the dollar.

The yuan has closed outside the band more than a dozen times since April. Dealers say the central bank has been experimenting with relaxing the trading band.

S'pore to increase employers' pension contributions

SINGAPORE, Oct 11: Singapore, prompted by economic growth near nine per cent and rising wage pressure said today it would hike employers' pension fund contributions by four percentage points to 16 per cent from January 1, reports Reuters.

Analysts said the hike was within expectations and reflected the government's confidence in Singapore's economic recovery. But financial markets showed little initial reaction to the news.



This file photo taken on May 22 in the northwestern French town of Saint-Senier-Sous-Avranches shows a man holding cow intestines. France's food health security agency yesterday recommended a total ban on the use of cow intestines in foodstuffs amid fears over mad cow disease. -- AFP photo

Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka.

Central Bank Buying And Selling Rate of USD= BDT 53.85/BDT 54.15.					
Selling		Currency		Buying	
TT/OD	BC			TT Clean	OD
54.2500	54.2800	USD	53.8150	Sight Doc	Transfer
47.9643	48.0512	EUR	46.1318	46.0084	45.9318
79.7273	79.7693	GBP	77.9051	77.6386	77.5840
30.1978	30.1323	AUD	27.1089	27.0164	26.9363
0.5093	0.5095	JPY	0.4909	0.4897	0.4897
31.4220	31.4465	CHF	30.7235	30.6290	30.5445
5.5304	5.5355	SEK	5.4356	5.4180	5.4020
36.4239	36.4484	CAD	35.5577	35.4641	35.3809
6.8924	6.8937	HKD	6.8669	6.8512	6.8336
31.428	31.4489	SGD	30.2901	30.2463	30.1316
14.8919	14.9095	AED	14.5023	14.5242	14.4838
14.5799	14.5983	SAR	14.2402	14.2035	14.1853

Exchange rates of some Asian currencies against US dollar					
Indian Rupee	Pak Rupee	Thai Baht	Mal Ringgit	Indo Rupiah	NZ Dollar
46.1046/20	58.30/58.80	43.03/43.08	3.7953/3.8005	8855/8855	0.404/0.405

US Dollar LIBOR					
	Buying	Selling	Months	1	3
Cash note	53.6150	54.2800	USD	6.59756	8.0188
TC	53.5650	54.2600	GBP	6.12563	6.2625

Local foreign exchange market remained steady and the demand for dollar was rangebound. In the money market, demand for call money went up, trading between 7.0 to 8.0 per cent.

In the international market, dollar kept calm even while the market players questioned how long it could stay aloof from the carnage taking place in the US equities. European currencies were also expected to suffer, but dealers said they could not help but feel that the United States with its hunger for capital had more to lose.

Shipping Intelligence

Chittagong port
Berth position and performance of vessels as on 11.10.2000.

Berth No	Name of vessels	Cargo	L.Port	Local agent	Date of arrival	Leaving
J/1	Bay fortune	GI	Yang	SMSL	20/9	14/10
J/2	World Amber	Wheat(P)	Sing	Angelic	24/9	15/10
J/3	Hyderabad	Rice(P)	Para	30/9	17/10	
J/4	Min Jiang	GI	S Hai	Bdship	4/10	13/10
J/5	Asian Saffron	48(GI/Stc C)	Yang	Everett	7/10	11/10
J/6	Ocean-1	GI(Log)	Yang	SMSL	28/9	13/10
J/7	Pacific Emerald	GI(Copra)	Sing	Alseas	21/9	17/10
J/8	Hans	Salt(TCB)	Pak	SBS	26/9	21/10
J/9	Shun Cheng	GI(S Ash)	Libe	Concord	22/9	12/10
J/10	Bright Sea	C.Clink	Krab	MBL	30/9	16/10
J/11	Da Fu	Continue		RSL	R/A(26/9)	11/10
J/12	Boxer Capt Cook	Continue	P.kel	Bdship	5/10	12/10
J/13	Kota Cahaya	Continue	Sing	PI(BD)	7/10	13/10
CCT/1	Arabella	Continue	Sing	QCSL	9/10	13/10
CCT/2	QC Pintail	Continue	Sing	QCSL	7/10	12/10
CCT/3	Kota Naga	Continue	Sing	PI(BD)	7/10	13/10
RM/14	Ganda Satira	TS/PI	Indo	Delmore	8/10	17/10
RM/15	North Star-II	Cement		SBS	R/A	12/10
TSP	Natcha Naree	R.Sulp	B.Abb	Seacom	1/10	15/10
RM/3	Novo Voyager	Cdso	Darb	Rainbow	4/10	RM/5
RM/3	ElTanini	C.Clink	Sing	PSAL	3/10	22/10
DOJ	Banglar Jyoti	C.Oil	Sing	BSC	R/A	11/10
DDJ	Banglar Shikha	Repair	Sing	BSC	20/9	14/10
DDJ/2	Sea Bulk Damai	Repair	Sing	IBS	R/A	14/10
RM/9	Banglar Group	Repair		BSC	R/A	15/10

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L.Port	Local agent	Cargo	Loading port
De Xiang	11/10	Sing	Arafeen	Survey Purpose	-
Seabulkhawk	11/10	Sing	Arafeen	-	-
Banga Bijoy(Cont) 1/10	12/10	P.kel	Bdship	GI	-
Hajin Houston	11/10	Vano	Manual	D.Pearls & Wheat	-
Marine Express	12/10	Sing	Rainbow	WT(P)/N Seed/Pearls	-
Morning Rise(RORO) 24/9/10	12/10	Sing	Everett	Vehi	-
Randor	12/10	Slax	SSST	GTSP(Fert)	-
Bandung Ace(12/3/10)	12/10	-	Everett	Steel+GI	-
Tug Britoll-35	12/10	Indo	OTBL	-	-
Sally-II	12/10	Indo	OTBL	Scraping	-
Aeturia(Cont)7/10	13/10	Sing	QCSL	Cont	Sing
Banga Bonki(Cont)7/10	13/10	Sing	Bdship	Cont	Sing
Liberty	13/10	Yang	MTR	Rice(P)	-
Kota Berjaya(Cont)1/10	13/10	Sing	PH(BD)	Cont	Sing
Oriental Kula	13/10	Niko	Limond	Fert(Bag)	-
Ever Wealthy	15/10	-	Everest	H.R./C.R. Coils	-
Qc Teal(Cont)2/10	16/10	Sing	QCSL	Cont	Sing
Osg Alpha(Cont)5/10	14/10	Sing	RSL	Cont	Sing
Jaya Mars(Cont)5/10	13/10	CBO	Everbest	Cont	Col
Triumph Kaohsiung 72)	14/10	14/10	Yang	RML	St Coil
Yu Miracle(72)17/9	15/10	Jaka	Sing	GI(St.Prod)	-
Kota Singa(Cont)15/10	16/10	Sing	Cross	Cont	Sing
Kota Singa(Cont)5/10	16/10	Sing	PH(BD)	Cont	Sing
Kota Petani(Cont)9/10	17/10	Sing	PH(BD)	Cont	Sing
Chu Hong(Cont)9/10	16/10	-	QCSL	Cont	Sing
Banglar Kallol	16/10	-	BSC	Steel+Ash	-
Xpress Resolve(Cont)10/10	10/17/10	Sing	RSL	continue	Sing
Xpress Makala(Cont)7/10	18/10	-	Everbest	continue	Col
Yasunina	18/10	Okha	SMSL	continue	Sing
Bangar Baidi(Cont)9/10	18/10	Sing	Bdship	Cont	Sing
Banglar Robit(Cont)9/10	18/10	Sing	BSC	Cont	Sing
Banglar Monli(Cont)9/10	20/10	Sing	BSC	Cont	Sing
Asian Legend Roro(24/10/10)	21/10	-	JL	Vehi	-