

Bank of Japan leaves rates unchanged

TOKYO, Nov 17: The Bank of Japan's board members voted Friday to keep interest rates unchanged, reports AFP.

"At the monetary policy meeting held today, the Bank of Japan decided, by majority vote, to maintain the following guideline for money market operations for the inter-meeting period:

The Bank of Japan will encourage the uncolateralized overnight call rate to move on average around 0.25 per cent," the central bank said in a statement after a meeting lasting six hours.

The Bank of Japan in August abandoned its 18-month-old policy of driving the overnight call rate, at which commercial banks lend to each other, close to zero.

The decision marked the first time in 10 years that the central bank had lifted borrowing costs in Japan, whose economy has been depressed since a speculative boom collapsed in the early 1990s.

No change was expected at the latest meeting and the yen was little moved, falling 108.74 against the dollar around 3:30 pm (0630 GMT), compared with 108.81 yen in early afternoon trade in Tokyo prior to the announcement.

First half FDI in Japan tops \$17b

TOKYO, Nov 17: Foreign direct investment (FDI) in Japan increased 42 per cent in the first half of the fiscal year, a trend likely to continue as Japan Inc. goes through massive restructuring and deregulation of its industries, an economist said Thursday, reports AFP.

FDI rose 42.1 per cent to 1.89 trillion yen (17.5 billion dollars) in the six months to September, compared with 1.33 billion for the same period last year, according to the ministry of finance.

"They are taking advantage of recent corporate restructuring and deregulation in Japan," said James Malcolm, economist at JP Morgan Securities Asia.

"It's reflected in a whole range of areas," he said.

"They (foreign investors) are trying to gain a foothold in Japan. And it is evident in the inflow figure."

FDI totalled 2.4 trillion yen for the whole of fiscal 1999, the ministry said.

Over the six-month period 853 direct investments were made by foreign firms, compared with 723 last year.

Foreign firms expanded operations in sectors such as telecommunications and financial services, a ministry official was quoted as saying by Kyodo News.

Direct investment from the United States -- which made up about 35 per cent of all foreign investments in Japan this period -- increased 342.8 per cent to 659.9 billion yen during the first half.

It marks a sharp rise from 149.0 billion yen during the same period last year, when it made up only 11.2 per cent of total FDI in Japan.

In the meantime, Japanese companies made 2.79 trillion yen worth of direct investment abroad in the first half, down 48.9 per cent from last year's 5.45 trillion yen of direct investments, according to ministry data.

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Tender No. 123.53.140

Tender Notice

Sealed quotations are hereby invited from the bona fide supplier/manufacturer/distributor on prescribed schedule for supply of 1 (one) Jeep (three door) of minimum 1550 CC and 1 (one) Double Cabin Pickup of minimum 1950 CC in local currency for Fenchugon Gas Field Development Project under Bangladesh Petroleum Exploration and Production Company Limited (BAPEX).

Tender schedule containing terms, conditions & specifications will be available at our Accounts & Finance Division, Ibrahim Mansion (3rd Floor), 11, Purana Paltan, Dhaka during office hours from 26-11-2000 at a cost of Tk. 1500/- per schedule (non-refundable). No tender schedule will be sold on the opening date of the tender. Tender in separate sealed covered superscribing the case number & description of goods may be dropped in the tender box kept at Material Control Division, HBFC Building (9th Floor), 22, Purana Paltan, Dhaka at 11.00 AM on 06-12-2000 which will be opened on the same day at 11.15 AM in presence of the tenderers (if any).

In addition the tender documents will also be sold and received as per stated date and time in the following offices:

1. Accounts Division, Petrobangla, Petro Centre, Kawranbazar, Dhaka.
2. Bakhrabad Gas System Ltd, Head Office, Chapapur, Comilla.
3. Titas Gas T & D Co. Ltd, Titas Bhaban, 11, Kawranbazar, Dhaka.
4. Jalalabad Gas T & D System Ltd, Amborkhanna, Bara Bazar, Sylhet.
5. Sylhet Gas Fields Ltd, Chiknagao, Sylhet.
6. Bangladesh Gas Fields Co. Ltd, Court Road, B'baria.
7. BAPEX Regional Office, Port Connecting Road, Saraipara, Chittagong.

Management reserves the right to accept/reject any or all the tenders and increase/decrease the quantity of the items without assigning any reason whatsoever.

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US, 4 APEC nations sign open skies agreement

BANDAR SERI BEGAWAN, Nov 17: The United States and four other APEC countries have reached the world's first multilateral open skies agreement in a deal seen as a catalyst for cheaper air travel, reports AFP.

The agreement, completed by the United States, Brunei, Chile, New Zealand and Singapore during the APEC meeting here, lifts all restrictions on the operation of airlines in each other's territory.

Opening the trans-Pacific skies up to more carriers would theoretically lower prices by increasing competition.

"With this historic agreement, we are beginning to move beyond the current system of bilateral aviation agreements and into the international aviation environment of the 21st century," US Transportation Secretary Rodney Slater said in

a statement.

"(It is) one in which groups of nations, and ultimately the entire world, agree to free trade in aviation services," he said.

The five countries said they were embracing the future of air transport with an agreement which could facilitate similar multilateral open skies negotiations, which have so far been exclusively on a bilateral basis.

"You get open skies immediately for the price of one," said John Wood, New Zealand deputy secretary for foreign affairs and trade.

The agreement is "one in which groups of nations, and ultimately the entire world, agree to free trade in aviation services," said Slater.

Open skies removes restrictions on where carriers fly, the number of flights they operate, and the prices they charge.

The deal, which is expected to be signed later this year, will "provide important benefits that were not available under the bilateral system," the five countries said in a statement.

But the immediate impact will be limited, given the network of agreements in force among the participants.

The United States has separate bilateral open-skies agreements with the other four countries, as does New Zealand.

Between Singapore and Chile the agreement refers to as yet non-existent flights, but officials from the city state welcomed the arrangement.

"We see it as a good start and as a catalyst for other countries to join," said Justina Tan, a senior air transport manager with the Civil Aviation Authority of Singapore.

The agreement forms a

"multilateral template for an open-skies regime," said Alan Larson, the US state department's undersecretary for economics and business affairs.

"This agreement will be important in its own right, but I also think that it will spur others to join, and as more economies join, the value of the agreement will grow," he said.

Business executives argued the pact, hatched under the auspices of APEC, goes to show what the 21-member organisation is capable of achieving amid growing criticism that it has not made much progress in its 11 years of existence.

"If we didn't have APEC, we couldn't have done it," said Kate Clemons, director of C and M International, a US trade consulting group specializing in private-sector initiatives in the Asia-Pacific.



Faizul Reza, a receptionist at one of the hotels (background) accommodating media and Asia-Pacific Economic Cooperation (APEC) delegates, shows off some of the toiletries provided in the rooms, in Bandar Seri Begawan yesterday. The quiet city of Bandar Seri Begawan began to return to normal following the conclusion of the two-day leader's APEC forum Thursday. - AFP photo

Leaders vow Internet for all in Asia-Pacific by 2010

BANDAR SERI BEGAWAN, Nov 17: Twenty-one governments around the Pacific rim vowed on Thursday they would give Internet access to everyone in the region by 2010 in a bid to narrow the "digital divide", reports AFP.

The promise by the leaders of the Asia-Pacific Economic Cooperation (APEC) forum came in a declaration issued at the end of a two-day summit in Brunei.

"We commit to develop and implement a policy framework which will enable the people of urban, provincial and rural communities in every economy to have individual or community-based access to information and services offered via the Internet by 2010," it said.

It said APEC was launching an "Action Agenda for the new economy," outlining programmes that would help economies harness developments in information technology.

"The Action Agenda includes ways to promote the right policy environment and build capacity to help create a framework to strengthen markets, electronic commerce, infrastructure, knowledge and skills development and provide affordable and more efficient access to communications and the Internet," it said.

"We recognize that this is only a start and we instruct all our ministers and officials to develop this programme further in 2001."

The leaders endorsed their trade and foreign ministers' recommendation, issued earlier this week in Brunei, for a World Trade Organisation taskforce to be established to look at regulating electronic commerce.



Models Danielle Atkin (L) and Melissa Kotsos (R) show off the Toyota Will Vi, designed as a compact urban runabout and on display at the 2000 Sydney Motor Show yesterday. Up to 600 cars from 42 manufacturers and over 190 motorcycles will be on show from 17 to 26 November. - AFP photo

BANGKOK, Nov 17: Thailand and Malaysia have agreed to hold talks next month on Malaysia's decision to delay tariff reductions on automobile imports, the Thai Commerce Ministry said Friday, reports AP.

The mid-December meeting in Bangkok will be attended by senior trade officials of the two countries. Boontipa Simaskul, director-general of the ministry's Department of Business Economics, told reporters.

She said Thailand has requested that the talks start as soon as possible after members of the Association of Southeast Asian Nations, or ASEAN, ratify the framework for resolving conflicts within the ASEAN Free Trade Area, or AFTA.

ASEAN ministers are scheduled to sign the framework agreement in Singapore on Nov 23 during an informal summit of their two-day summit here.

We reiterate that there is a need to expeditiously launch a new World Trade Organisation (WTO) round for the benefit of all WTO members, particularly least-developed and developing ones. We agree that a balanced and sufficiently broad-based agenda that responds to the interests and concerns of all WTO members should be formulated and finalized as soon as possible in 2001 and that a round be launched in 2001.

Under the AFTA plan, ASEAN countries must reduce tariffs on cars and car parts imported from other member states to no more than 5 per cent beginning in 2003.

The leaders endorsed their

trade and investment

agreements.

We welcome the substantial

progress that has been made

over the past year in the WTO

accession negotiations for

China and urge rapid

completion of these negotiations so

that China can join as soon as

possible. We also support rapid

accession to the WTO by Chi-

inese Taipei and the advance-

ment of the accession processes

of Russia and Vietnam.

There were no investors

who sold the euro heavily as

they are cautious of intervention.

"Tsukamoto said.

The euro itself was not

strengthening. The euro barely

moved," the dealer said.

Against the yen, the euro

was quoted at 93.42 in Tokyo Thursday afternoon.

"Exporting companies sold

the euro for profit-taking as

the euro had risen to the 93 yen

level," said Bank of Tokyo-

Mitsubishi dealer Kiyoshi Ku-

zuka.

In Singapore, research

house IDEAGlobal.com forecast

consolidation for the euro at

between 0.8500 and 0.8580

dollars.

S'pore economy grows more than 10pc

SINGAPORE, Nov 17: Singapore's economy grew by 10.4 per cent in the third quarter from an initial estimate of 10.2 per cent and from the second quarter's nine per cent, the Ministry of Trade and Industry said Friday, reports AP.

The government also raised the full-year growth forecast to "around 9.5 per cent" from an earlier forecast of "around nine per cent".

The manufacturing sector continued to power Singapore's growth. It expanded by 15.5 per cent in the third quarter from 13.3 per cent in the second quarter of 2000, the ministry said.

Analysts said the data was within market expectations and unlikely to move foreign exchange or stock markets.

JP Morgan economist Tan Tzu Ping said the data suggests growth for the year will exceed the 9.5 per cent target. He forecast a 9.7 per cent full-year expansion.

The data also confirmed a surprisingly low 2.5 per cent unemployment rate in September from 3.5 per cent in June, suggesting that Singapore's employment levels are back to the pre-Asian economic crisis levels.

The economy added 26,100 jobs in the third quarter, bringing total employment gains of 69,500 for the year, the ministry said.

Labour productivity also improved in the third quarter, rising to 5.6 per cent from 5.2 per cent in the previous quarter, led by the manufacturing sector despite a sharp rise in employment.

Euro up against dollar in Tokyo

TOKYO, Nov 17: The euro rose against the dollar in Tokyo Friday with investors wary of renewed intervention by the European Central Bank (ECB) to support the currency, dealers said.

The European single unit traded at 0.8557-60 dollars around 5:00 pm (0800 GMT), up from 0.8520-25 dollars in New York, but down from 0.8588-91 dollars in Tokyo Thursday.

It was no surprise that the ECB intervened before the euro at the current level, which was lower than mid 85 cents" said Fuji Bank dealer Hideyuki Tsukamoto, recalling the four ECB interventions up to November 9.

There were no investors who sold the euro heavily as they are cautious of intervention.

The euro itself was not strengthened, the dealer said.

Against the yen, the euro was quoted at 93.04, down from 93.42 in Tokyo Thursday afternoon.

"Exporting companies sold the euro for profit-taking as the euro had risen to the 93 yen level," said Bank of Tokyo-Mitsubishi dealer Kiyoshi Ku-

zuka.

In Singapore, research house IDEAGlobal.com forecast