

## 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 uncollateralized 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, fetching 108.74 against the dollar around 3:30 pm (0630 GMT), compared with 108.81-83 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.

# 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 five 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 Clemans, director of C and M International, a US trade consulting group specializing in private-sector initiatives in the Asia-Pacific.

## 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.

"As a first step towards this goal, we aim to triple the number of people within the region with individual and community-based access by 2005."

The "digital divide" separating the information-technology haves from the have-nots was a main topic of discussion at this year's APEC meetings.

"We resolve to address the wide disparities in wealth and knowledge and bring the benefits of globalisation to all our people," the leaders' declaration 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

## KL, Bangkok to hold talks on tariff cut next month

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. Boonting 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 leaders.

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.

## ROK to have world's tallest building!

SEOUL, South Korea, Nov 17: A South Korean business group plans to build the world's tallest building in the southern port city of Pusan, company officials said Friday, reports AP.

Lotte, the nation's 11th largest conglomerate, will spend 1.2 trillion won (US\$ 1.05 billion) on the 107-story building to be built near the port by 2005, they said.

Standing 464.5 meters (1,533 feet), the rocket-shaped building with a steeple would be the tallest building in the world, officials said.

The building will house 1,500 hotel rooms, shopping malls, restaurants, movie theatres and a theme park, they said.

## British govt papers over tactical cracks on euro

LONDON, Nov 17: Tony Blair's government tried Thursday to damp down the euro debate after one of its most europhile ministers appeared to drive a hole through its intricate wait-and-see policy on the single currency, reports AFP.

The remarks by Peter Mandelson, one of Blair's closest allies, at a dinner late Wednesday left the government frantically trying to paper over the cracks he exposed.

It was doubly embarrassing because it came only a few days after Blair and Foreign Secretary Robin Cook launched a new offensive over Europe in a bid to win over a largely sceptic British public.

According to the Financial Times, Mandelson warned business leaders at the dinner that ministers would have to argue a constitutional and political case for Britain joining the single currency if they were to win a referendum.

That may seem obvious, except that the government's policy has always been the economic line favoured by the heavyweight likes of finance minister Gordon Brown.

Essentially, it is that membership of the single currency will only be put to a referendum if certain key economic criteria are met.

The Northern Ireland minister however warned that it would be a mistake to rely on the economic arguments alone in making the case for membership.

Blair's official spokesman downplayed Mandelson's remarks as "pretty spectacularly un-newsworthy."

hard-pressed to find any comment from any minister that has ever denied that there are not political and constitutional arguments surrounding the issue of the single currency."

Mandelson's emphasis on the political and constitutional aspects, while not dismissing the economic argument, may irritate Chancellor of the Exchequer Brown.

Both Blair and his chancellor are desperate to ensure the euro issue does not become a vote-losing hot potato at the next election, which most analysts believe will come in the first half of next year.

Cook tried to straddle both ends of the debate, saying Mandelson's remarks in no way undermined the official line.

"These are not two contradictory statements," they are complementary," Cook told BBC.

"Both of them have to be right and both of them have to be advanced in the course of any debate, and Peter and I and Tony Blair are all in agreement on that."

Cook's last comment was all the more telling for who he left out -- Brown, for one, who is much more cautious about greater European integration than the Blair-Cook-Mandelson threesome.

Brown and Mandelson clashed semi-publicly earlier this year when Mandelson urged the government to start campaigning actively for membership of the euro, a move successfully resisted by the chancellor.

The opposition Conservative Party, which has made "keep the pound" one of its battle cries, was only too happy to pounce on the apparent split.

Conservative leader William Hague said Mandelson and Cook were showing the ruling Labour Party's "true agenda."

"They all want to join the euro as soon as they can but some are being more honest about it," he said.

Opinion polls show most Britons are opposed to joining the euro.

A survey in the Guardian daily last week showed a record low of 18 per cent support for membership compared to 71 per cent against.



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

## APEC declaration highlights

BANDAR SERI BEGAWAN, Nov 17: Following are the highlights of a declaration issued by leaders of the 21-member Asia Pacific Economic Cooperation (APEC) forum at the conclusion of their two-day summit here:

### World trade talks

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.

### Oil price stability

We note ... the risks to the world economy posed by volatility in the oil market. We call for appropriate measures to promote stability in the mutual interests of consumers and producers. We welcome the efforts made this year by APEC members to balance oil markets and note the many ongoing cooperation activities within APEC which will help reduce vulnerability and promote market stability.

### Globalisation

We resolve to address the wide disparities in wealth and knowledge and bring the benefits of globalization to all our people. APEC's economic and technical cooperation programmes are already making a positive contribution to this process but we believe they can be strengthened. We therefore ask our ministers and officials to ensure that the cooperation agenda is clearly targeted and more focused to achieve practical outcomes which will help our economies build the necessary capacity.

### Bogor progress

We renew our determination to bring this vision [of a community of open and interdependent economies] into reality through our shared commitment.

## Vietnam signs \$480m deal with Boeing

HANOI, Nov 17: State-run Vietnam Airlines signed a letter of intent Friday for a 480-million-dollar deal to buy three 777 passenger airplanes from American aviation giant Boeing, further raising the possibility of direct flights to the United States, reports AFP.

Boeing's vice president of commercial airplanes Ray Bracy told AFP the company had beaten stiff competition from European consortium Airbus Industries.

"There is a clear intent to move to the next stage," he said, acknowledging the letter was not binding.

"Hopefully, although I am not a fortune teller, there will be more orders in the future."

The signing ceremony was witnessed by US Commerce Secretary Norman Mineta and Vietnamese Finance Minister Nguyen Sinh Hung.

The deal was among a string of US-Vietnam deals due to be announced Friday during the first day of US President Bill Clinton's historic three-day visit to communist Vietnam.

In the 1980s, the Vietnamese regime began introducing limited market reforms while retaining tight political control and in 1994 Washington lifted a trade embargo in place since before the start of the Vietnam

War.

In July, the US signed an agreement allowing Vietnamese exporters access to US markets. Clinton's administration preaching a policy of engagement of its former enemy through diplomacy and trade to open up Vietnam. The deal has yet to be ratified by Congress.

For its part, Hanoi has made expansion of economic ties with Washington and accelerated development a key focus of the first visit by an American head of state since the war, which is also the last scheduled foreign trip of Clinton's presidency.

Bracy said the order raised the prospect of direct flights to Los Angeles and Paris, both home to large Vietnamese communities.

Vietnam Airlines planned to take delivery of the planes in 2002 and 2003, said Bracy.

Last week a spokesman for the state airline told AFP the jets will be used for existing routes to Europe as well as destinations in the United States which the airline hopes will be opened up by a long-awaited aviation agreement with Washington.

A limited agreement allowing code-sharing between airlines in the two countries was inked in March but talks on direct flights are still continuing.

## 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 to 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, reports AFP.

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 late Thursday.

"It was no surprise that the ECB intervened before to support the euro at the current (low) 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, "Tsukamoto said.

"The euro itself was not strengthening. The euro barely moved," 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 Kuzuhara.

In Singapore, research house IDEAGlobal.com forecast consolidation for the euro at between 0.8500 and 0.8580 dollars.

## HK, Germany sign deal on illegal immigration

HONG KONG, Nov 17: Hong Kong has agreed to take back any of its passport holders who attempt to settle in Germany illegally in a move designed to bolster its bid for visa-free access to all European Union countries, reports AFP.

The bilateral accord, signed here on Friday, is the first of its kind between the former British colony and any of the 15 EU countries.

It comes as EU governments, which are in the process of harmonising their visa requirements, consider whether to grant Hong Kong passport holders visa-free access.

Anson Chan, Hong Kong's Chief Secretary, said she hoped the deal would have a positive impact on the debate over the issue by showing Hong Kong was committed to combating illegal immigration.

In our view, the conclusion of the agreement is a clear reflection of international confidence in the efficiency and integrity of Hong Kong's immigration control," she said.

A number of EU states are reluctant to grant Hong Kong visa-free access because of fears that it could encourage illegal immigration by mainland Chinese coming through the territory.

Supporters of the move have argued that visa-free access is important for business links and as a signal that the EU is confident that Hong Kong will retain its autonomy from China.

"A grant of visa-free access would strengthen economic relations, trade and tourism between Europe and Hong Kong. We trust Germany will support these efforts," Chan said.

German Interior Minister Otto Schily said, "In order to make the Federal Government's policies to integrate foreigners living lawfully in Germany a sustainable success, we must continue to take all measures to curb illegal migration."

"This includes the readmission agreement which has been concluded in a move to improve the basic conditions for the return of persons having to leave the country."

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Tender No. 123.53.140

Dated: 06-11-2000

## Tender Notice

Sealed quotations are hereby invited from the bonafide supplier/manufacturer/distributor on prescribed schedule for supply of 1 (one) Jeep (three door) of minimum 1500 CC and 1 (one) Double Cabin Pickup of minimum 1950 CC in local currency for Fenchugonj 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 (9<sup>th</sup> 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, Chapapour, Comilla.
3. Titas Gas T & D Co. Ltd, Titas Bhaban, 11, Kawranbazar, Dhaka.
4. Jalalabad Gas T & D System Ltd, Amborkhana, Bara Bazar, Sylhet.
5. Sylhet Gas Fields Ltd, Chiknagoal, 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.

DFP-27282-9/11,  
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General Manager (MCD).