

Russia cuts import duties on a quarter of products

Preparation for WTO entry

MOSCOW, Jan 1: Russian customs authorities announced Sunday that import duties on about a quarter of all products would be cut from January 1, as part of Moscow's bid to join the World Trade Organisation (WTO). Interfax reported, says AFP.

Russia is introducing new customs duties on 3,500 types of commodities, or 30 per cent of all imports, and 88 per cent of these changes will involve a

cut in duties, a spokesman for the state customs committee told the news agency.

The import duties on almost all goods, currently levied at the maximum 30-per cent and 25-per cent rates, would be reduced to 20 per cent, the spokesman added.

The maximum import tariffs would be preserved only for those imports that were particularly sensitive for the Russian economy, such as cars, white sugar, alcohol and tobacco products, the customs committee said.

In November, the Russian government announced it would raise the import tariff on white sugar from 25 per cent to 30 per cent, starting January 1.

However, the import duties on vegetables, onions, carrots and other vegetables would be lowered, Interfax reported.

Russia has been a candidate

for WTO membership since 1993, when it applied to the WTO's predecessor, the General Agreement on Tariffs and Trade (GATT).

Informal talks with representatives of the 140-member global trade body are due to start February, with the most controversial subject likely to be international calls for Russia to free up trade in agricultural products.

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Pakistan to hold talks on debt rescheduling on Jan 22

KARACHI, Jan 1: Pakistan will hold formal talks with the Paris Club of official creditors on January 22 for rescheduling part of external debt. Finance Minister Shaukat Aziz said, reports Reuters.

"Paris Club" meeting is scheduled to be held on January 22 for debt negotiations and rescheduling of about \$1.5 billion is expected, the official APP news agency quoted Aziz as telling reporters on Sunday evening.

The two sides will first hold technical discussions before formally meet in Paris on January 22, Aziz said.

Pakistan ended a 30-month debt rescheduling period on its \$32.73 billion external debt in December, which was sought after international sanctions following Islamabad's nuclear weapons tests imposed in 1998 caused a balance of payment crisis.

Aziz was also quoted as saying that all conditions agreed with the international Monetary Fund, to qualify for a one-year standby loan programme will be met.

The IMF approved a \$596 million standby loan for Pakistan last month with key conditions such as a rise in a petroleum prices, a reduction in net do assets and fulfillment of tax revenue targets set in the budget.

Pakistan linked domestic petroleum prices on Saturday.

ROK injects \$3.44b into 6 troubled banks

SEOUL, Jan 1: South Korea injected 4.13 trillion won (\$3.44 billion) in public funds into six troubled banks as part of restructuring efforts, newspapers reported Monday, says AFP.

State-run Korea Deposit Insurance Corp. injected the funds into the banks late Sunday after securing agreements from labour unions to cooperate with restructuring efforts, they said.

Officials were not immediately available for confirmation on Monday, New Year's Day.

Labour unions of SeoulBank, Peace Bank, Kwangju Bank, Kyongnam Bank and Cheju Bank withdrew their membership with a militant umbrella group - the Korea Financial Industry Union - before submitting their agreements on restructuring plans that could include layoffs, they said.

The labour union of Hanvit Bank also promised to cooperate with restructuring efforts.

The government earlier said it would provide a total of 7.1 trillion won (\$5.92 billion) in public funds to the six banks, which were declared nonviable in November, on condition that they first secure promises from labour unions to cooperate with restructuring plans.

Toyota, GM, Exxon plan to develop fuel-cell cars

TOKYO, Jan 1: Japan's Toyota Motor Corp, General Motors Corp of the United States and the oil major Exxon Mobil Corp plan to jointly develop environmentally-friendly cars powered by fuel cells, a report said today.

The three firms are in the final phase of talks on plans to start marketing their fuel-cell cars in 2003 at the earliest, the major Japanese daily Yomiuri Shimbun said.

Fuel cells, which produce electricity by combining hydrogen and oxygen, are seen by some as likely to replace the internal combustion engine in the 21st century.

The new fuel-cell cars will be powered by gasoline-derived hydrogen which is subsequently used to generate electricity, the newspaper said.

There are no international standards for fuel-cell cars, and the three-way alliance aims to take the lead in the field, Yomiuri said.

DaimlerChrysler AG is developing fuel cells with a methanol method that uses natural gas, the report said.

Toyota and General Motors account for about 30 per cent of the global car market and they hope to win the lion's share of the fuel-cell vehicle market, the report said.



Japanese Prime Minister Yoshiro Mori (L) chats with Toyota Motor Corp. Chairman Hiroshi Okuda shortly after he delivered a special message to greet the 21st century by Internet at the countdown event across the two centuries at the prime minister's official residence in Tokyo yesterday. Earlier in the day, the government opened an online exposition that it hopes will boost interest in the Internet as part of a high-profile campaign to make Japan a global leader in information technology (IT). - AFP photo

Investors look to Fed to revive US stock market

Henry Willmore

The problem is that an additional deceleration is likely in the months ahead as the full effect of this year's stock market decline is felt.

The slowdown, powered by a retrenchment in consumer spending and higher energy prices, cut deeply into company results and share prices.

On Wall Street, the once high-flying Nasdaq electronic exchange, dominated by "new economy" high-tech and Internet issues, plunged from a peak of 5,048.62 points to 2,558 at the close of trade on Thursday, representing a 38 per cent fall on the year.

Faring somewhat better were traditional "old economy" companies listed on the Dow Jones Industrial Average index, which had declined 5.6 per cent in the year to Thursday, and the Standard and Poor's 500, down 9.6 per cent.

Just ahead, according to analysts at Barclay's Capital, is the prospect of a further contraction in the growth of consumer spending, which slowed to an annualized three per cent in the fourth quarter, after averaging more than five per cent in the last two years.

The latest indications suggest that growth has slipped into a one to two per cent range and could languish at a similarly sluggish pace in the first

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South Korea relaxes forex rules for individuals

Analysts expect scant market impact

"Even with these liberalisation measures, the government won't take it easy and let funds go abroad without limits," said Jwa Seong-hee, president of Korea Economic Research Institute.

The Ministry of Finance and Economy has removed limits on the amount of currency citizens can carry abroad and the size of their overseas bank deposits in its second phase of liberalisation.

Until now, residents could carry up to \$10,000 abroad, and overseas bank deposits were restricted to \$50,000 for individuals, \$5 million for non-exporting companies and \$500 million for exporters.

Under the new rules, residents can hold overseas trust contracts and invest in offshore over-the-counter equities. Limits on buying foreign currency assets are abolished.

But certain restrictions are to remain to protect the market from speculative attack and the monitoring of transfers will be stepped up to curb tax evasion and money laundering.

The ministry has also retained a limit of one billion won on won loans and issues of won-denominated securities to non-residents.

With individual investors spooked by the close monitoring by financial authorities,

For offshore deposit accounts, financial institutions will have to report to the NTS any transfers of more than \$10,000, while individuals and corporates will need to report transfers exceeding \$50,000.

Balances exceeding \$500,000 for corporates and \$100,000 for individuals need to be reported to the central bank each year.

Others analysts said investors who wanted to park money abroad would have done so already.

"Korean people have not traditionally been focused on overseas investment," said Oh Suk-jae, economist and currency strategist at Citibank in Seoul.

"Some people say (investment) savvy people have already found measures to avoid the regulations, so the real impact will not be that big."

A first phase of foreign exchange liberalisation in April 1999 eased restrictions on transactions by corporates and financial institutions, such as allowing them to borrow abroad in short-term maturities of less than a year.

Analysts expect little market impact from the revised laws.

Exchange Rates

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against Taka to major currencies. Central bank buying and selling band of USD: BDT 53.85/BDT 54.15

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight	OD Transfer
54.2560	54.2800	USD	53.8150	53.6464	53.5779
51.5165	51.6034	EUR	50.3167	50.1333	50.0567
81.6117	81.6537	GBP	80.1129	79.8464	79.7918
30.7305	30.7550	AUD	29.6660	29.5743	29.4942
0.4785	0.4786	JPY	0.4661	0.4659	0.4649
33.8325	33.8570	CHF	33.2603	33.1658	33.0813
5.7936	5.7987	SEK	5.6964	5.6788	5.6628
36.3363	36.3608	CAD	35.7564	35.6628	35.5796
6.9598	6.9611	HKD	6.8894	6.8807	6.8633
31.393	31.4145	SGD	30.9547	30.9109	30.7963
14.8919	14.9095	AED	14.5023	14.5242	14.4838
14.5784	14.5968	SAR	14.2399	14.2032	14.1850
Usance Export Bills					
TT Due	30 Days	60 Days	90 Days	120 Days	180 Days
53.7041	53.3727	52.9304	52.4217	51.8688	50.6303
Exchange rates of some Asian currencies against US Dollar					
Indian	Pak Rupee	Tha Baht	Lankan Rupee	Indo Rupee	NZ Dollar
56.6746	57.80/57.90	43.35/43.45	82.72/82.81	9625/9725	0443/0444

The local foreign exchange market was quiet on the first working day of the year. Demand for US dollar was low. Call money market was stable. Call money rate ranged between 7.25 and 8 per cent.

International markets are closed for the weekends.

Money-crazed HK makes economic recovery a top new year wish

HONG KONG, Jan 1: Economic recovery is the top New Year's wish for most of Hong Kong's people, who hope 2001 will bring work for everyone and wage hikes, a survey showed on Monday, says AFP.

The Institute of Asia-Pacific Studies of the Chinese University here found that 37.8 per cent of 843 respondents made economic recovery a leading wish for the new year, against 22.6 per cent last year.

It was followed by 13.6 per cent wishing for employment for all the three-million-strong workforce in Hong Kong and 6.3 per cent putting a wage hike at the top of their list, said the poll, commissioned by Hong Kong's leading Chinese-language newspaper Apple Daily.

Just 4.7 per cent of respondents agreed with Beijing's stand that security is the top concern.

Another 4.6 per cent listed health among their top wishes in the poll and 4.2 per cent a happy life.

A wish for world peace ac-

counted for 2.4 per cent and the 10th wish was for a better Hong Kong, 2.1 per cent.

The new year wishes of the people were also reflected by officials.

Financial Secretary Donald Tsang, joining tens of thousands of revellers at the New Year's countdown late Sunday, told reporters: "I wish in 2001 Hong Kong will see improvements in its economic figures and also, more money in everyone's pockets."

However, Hong Kong's leading Hang Seng Bank said in a report that the territory's economy will experience slower growth in 2001 despite increased opportunities created by China's expected entry into the World Trade Organisation (WTO) next year.

Hang Seng Bank said that GDP growth in Hong Kong would slow to 4.0 per cent in 2001, compared to 9.5 per cent this year, on the slowing of the US and European economies.

The official government forecast is 10 per