India's import liberalisation may not deal body blow to industry

Import curbs on 715 items go

AFP, *New Delhi*

India's easing of import curbs on 715 items is unlikely to deal a body blow to local industry as foreign goods will be subject to high import duties and quality control barriers, industry leaders said.

Commerce Minister Murasoli Maran's trade policy for the fiscal year beginning Sunday was hailed for striking the "right balance between import liberalisation and measures to boost exports."

"The quantative restrictions for 715 items have been removed, but institutional mechanisms like the adjustment of tariffs and imposition of anti-dumping duties provide adequate safeguards," Arun Bharatram, chief of the Confedreation of Indian Industry (CII) told AFP.

Arun Goyal of the Delhi-based Academy of Business Studies said he did not expect any flood of imports of foreign products though there could be some initial enthusiasm to "experiment" with foreign food items.

"Foreign goodies might initially lure Indian consumers because of the novelty factor. But in the long-run domestic industry will prevail on prices, quality and freshness, especially where food items are concerned," said Goyal.

Other restrictions like imports through state agencies and mandatory quality checks will affect the import of foodgrains like wheat and rice, Goyal said.

Import duties on wheat and rice are 80 to 100 percent while it is 66 percent on maize. Imports of food products and meat items are subject to stringent quality checks.

"All these quality control tools can also be used to check unbridled imports," Goyal said

The new policy sees the lifting of quantative restrictions on 715 products including grains, animal products, spirits, textiles, watches and cars in compliance with a World Trade Organisation (WTO) ruling.

Of the 715 items, 82 are agricultural products, 40 are animal products, 331 are textile items and 24 are beverages, spirits and tobacco related goods.

Despite the liberalisation, import restrictions will remain on more than 100 items, primarily defence and hazardous chemicals.

India is one of the most protectionist economies with a top tariff rate of 40 percent.

New Delhi launched its market reforms in 1991 but maintained restrictions on imports of 1,429 items, citing balance of payment problems.

But after the United States complained, the WTO ruled against India and ordered it to end the curbs on all items by April 1, 2001, saying the country's balance of payment situation had improved.

On Saturday, Maran also announced a raft of measures to maintain and increase merchandise exports which have been growing at a robust 20 percent year-on-year in recent months.

"This is the first time state governments have been given a major role in export promotion activities," he said, adding that he had earmarked one billion rupees (21.7 million dollars) for states that promoted exports.

Maran also said that existing duty exemption schemes would now be extended to exporting farmers.

This means that farmers will now be eligible to take advantage of state-run infrastructural facilities such as cold storage, transportation, packaging and processing facilities.

India's exports in the first nine months of the fiscal year ending March 2001 recorded 20.4 percent growth from the same period in the previous 12 months.

Total exports in April-December were valued at 32.2 billion dollars, compared to 26.7 billion dollars 12 months ago.

Maran said India aimed to achieve export growth of 18 percent in 2001-2002, the target it set for the previous year but added the slowdown in the US, India's key export market, could pose problems.

"There are some dark clouds on the horizon -- I mean the demand constraints beyondour control like the apprehended slowdown of the two biggest economies, the US and Japan, which accounts for 46 percent of world output."

Maran said India would seek to grab one percent of global trade by 2004, up from 0.64 percent currently.

PHOTO: AFP

A woman belonging to the Communist Party of India (Marxist-Leninist) holds her child as she shouts slogans against the Indian government and the World Trade Organisation (WTO) during a demonstration in New Delhi yesterday to protest the recent lifting of import restrictions by India, accusing the Bharatiya Janata Party-led coalition government of succumbing to WTO pressure. India on Saturday moved closer to opening its markets to global trade by dismantling a protectionist regime of import curbs on 715 items in its latest export-import policy.

NBR Chairman Jakir Ahmed Khan exchanges views with the businessmen of Chittagong at the Chittagong Chamber of Commerce and Industry (CCCI) conference room recently. Sitting on his left is CCCI President Saifuzzaman Chowdhury and on his right is CCCI Senior Vice-President SM Nurul Huq.

Syria-Iraq free trade deal takes effect, says Baghdad

AFP, *Baghdad*

Baghdad announced that a free trade agreement with former rival Syria signed earlier this year went into effect Sunday.

"As of April 1, exchanges of goods and merchandise between Iraq and Syria will be exempt from tariffs and will not need prior authorization," Trade Minister Mohamed Mehdi Saleh told state television late Saturday.

Iraq signed the free trade pact with Syria on January 31, its third such agreement with an Arab country following the 1991 Gulf War. Treaties have also been signed with Egypt and Tunisia.

Syria and Iraq, governed by rival branches of the Baath party, broke off diplomatic relations in 1980 when Damascus supported Tehran in the Iran-Iraq war. They started to restore ties in 1997.

The neighboring countries' bilateral trade is worth about 500 million dollars annually.

China's pvt economy grows 40pc in 2000

AFP, *Beijing*

Cina's private economy grew by nearly 40 percent last year with new private companies providing some 4.6 million jobs in 2000, state media reported Sunday.

By the end of last year, China had 1.7 million registered private companies employing 24 million people with registered assests of 1.33 trillion yuan (160 billion dollars), the China Business Times reported, citing a report issued from the All-China Federation of Industry and Commerce.

The growth has been sharpest since 1998 when China amended its Marxist constitution and began recognizing the private economy as an "important component" of the overall economy, the paper said.

At the end of 1997, there were some 960,000 private companies with registered assets of 514 billion yuan, while in 1989 there were only 90,000 private companies with assets valued at 8.4 billion yuan, it said.

Private enterprises in China produced 1.07 trillion yuan in products last year up 39.7 percent from 1999, while sales revenues were up 38 percent to 988 billion yuan over the same period, it said.

In 2000, the private sector created 4.58 million jobs and re-employed 1.07 million workers laid off from state enterprise jobs and nearly two million rural workers, it said.

Meanwhile, some 12,700 private Chinese companies registered nearly 8.9 billion dollars in export earnings last year, up 105 percent over 1999, the report said.

According to statistics issued by the National Bureau of Statistics last month, China's non-state industrial sector, which includes private companies, township and village collective enterprises and foreign-funded and joint venture industries produced 1.36 trillion yuan of goods last year.

British business braces for euro notes, coins

AFP, *London*

With the approaching launch of euro notes and coins, Britain is striving to help business cope with the transition even though it is no nearer to actually joining the single currency.

The government is to spend nine million pounds (14.6 million euros, 12.9 million dollars) during the current parliament on the campaign, Chancellor of the Exchequer Gordon Brown told parliament this week.

The campaign will help companies prepare for the arrival of euro cash from continental Europe – not to mention the new era of invoicing and billing exclusively in euros from companies in the 12 euro-zone countries.

"The major change will be that all invoices will have to be in euros," said a treasury spokeswoman. "Companies in the euro-zone can currently still have bank accounts in their original currencies but that will change. All transactions will be in euros."

Though Britain has still to decide on whether to join the euro-zone, more than half its trade is with Europe, and businesses will need help to navigate around the implications of a newly minted currency on their doorstep.

"We are not critical of the government spending money on this," said Confederation of British Industry (CBI) spokeswoman Sheila Murray. "Whenever we go in, it still made sense to prepare."

"There is still concern that once the notes and coins come into use there will be a rush for information on what small business should be doing regarding billing and other issues," she said.

"But the situation is not unique to Britain," Murray added. "We understand that small firms in the rest of Europe who are going to be immediately affected are still not prepared for the introduction of the euro proper."

With just nine months until euro notes and coins appear and the euro-zone shifts over to the euro completely, Brown said the aim of the new information campaign was to keep British business apprised.

The British government is to update its euro website with more factsheets to help gear up for the changeover, said Brown.

The aim was to "help British Business compete effectively in the single market, whether we are in or out of the euro," the finance chief told parliament on Thursday.

Total spending across the British government on the "National Changeover Plan," which was launched two years ago, had grown to around 24 million pounds, he added.

But Brown said that the government's position on joining the euro zone had not changed.

The government has said it will call a referendum on euro membership within the first two years of the next parliament if the economic criteria it had set were met.

"We don't rule out the euro on issues of dogma," he said. "We will conduct a series of tests ... and we will report to the British people within two years of a general election and the starting of a new parliament," he said. The election is expected to be held in May or June.

Brown said that the government had no intention of rejoining the exchange rate mechanism (ERM), which it exited dramatically in 1992, leading to a sharp fall in the value of sterling.

Foot-and-mouth disease affects 149 areas in Argentina

AFP, *Buenos Aires*

Seventeen new areas of foot-and-mouth infection have been discovered in Argentina in the last two days, bringing the total number of affected areas to 149, the government said Saturday.

Most are located near the capital, the Secretariat of Agriculture and Livestock said in a statement posted on its Web site.

Fifteen of the affected areas are in Buenos Aires province, one is in the province of Santa Fe and one is in La Pampa.

Animal husbandry is a key industry in Argentina, which has roughly 50 million head of cattle and another 10 million sheep.

Officials intend to vaccinate all the nation's cattle in hopes of putting a quick end to the outbreak.

Samsung now largest ROK conglomerate

AFP, *Seoul*

The Samsung Group emerged as South Korea's largest conglomerate this year as the rival Hyundai Group was torn apart by a family squabble and debts, officials said Sunday.

Samsung posted a net profit of 7.3 trillion won (5.57 billion dollars) on sales of 101 trillion won (77 billion dollars) last year, the Fair Trade Commission (FTC).

The Hyundai group was second with a loss of 6.6 trillion won on sales of 73.5 trillion won. Its former money-making flagship, Hyundai Motor Co., ranked fifth independently.

LG and SK groups remained third and fourth. The Hanjin Group stood sixth, followed by Pohang Iron and Steel Co., which was privatized last year under the government-led restructuring of state giants.

At the end of last year, the total assets of the top 30 conglomerates rose 3.6 percent year-on-year to 437.8 trillion won with the number of affiliates up from 544 to 624.

The increase backed accusations that South Korea's family-controlled conglomerates, or chaebol, are still powerful despite pressure to reduce their influence.

But FTC official Oh Sung-Hwan said the expansion of assets was caused by new investments in technology-heavy and Internet-related industries.

"As a result of corporate restructuring, the chaebol have made efforts to concentrate on profitable core businesses," Oh said, adding the chaebol's average debt ratio fell to 171.2 percent at the end of last year, from 218.7 percent a year earlier.

Last year, the 30 conglomerates improved their financial status with total sales up 13.2 percent to 457 trillion won and 17 groups in the black, he said.

Weekly Currency Roundup

Yen leads slump in Asian markets

AFP, *Hong Kong*

The Japanese yen lead another popr week for Asian currencies, hitting its lowest level since October 1998.

Japanese Yen: The yen plunged to a two-and-a-half year low against the dollar during the week as Japan's economic outlook remained gloomy, dealers said.

On Friday, the Japanese currency dropped to as low as 125.47 against the dollar, its lowest level since October 7, 1998.

As of Friday afternoon, the yen traded at 125.25-28 against the dollar, compared with 122.80-83 a week earlier.

Dealers said investors dumped the yen on expectations that the bank of Japan's quarterly Tankan survey of the corporate scene, due out on Monday, would show a downward reversal in business confidence.

"Ahead of the Tankang's release on Monday, investors see the dollar further strengthening, not reverse the trend, Commonwealth near future," a dealer said.

"Investors have almost no choice but to sell the yen," he said.

The yen's fall was also due to importers' selling ahead of the end of Japan's fiscal year this weekend, dealers said.

Australian Dollar: In terms of a percentage weakening against the greenback so far this year, only the Turkish lira, Rwandan franc and Haitian gourde have lost more purchasing power than the Australian dollar, currency analysts said.

The local dollar has surrendered 12.3 per cent of its value against the US dollar so far in 2001, and touched a new low of 48.79 US cents during late afternoon trading on Friday.

Each time the dollar appears to have touched an absolute, go-no-further low, it falls.

And only "evidence of a firmer Australian economy, improved commodity prices and reduced support for the US dollar" will weakening, against the yen in the Securities chief economist Crais James said.

The dollar came to rest at 48.96 US cents by the close of local foreign exchange trading.

Hong Kong Dollar: The Hong Kong dollar was marginally higher at 7.7991-7.7999 to the greenback compared with the previous week's 7.7987-7.995.

Indonesian Rupiah: The rupiah closed the week at 10,415 to the dollar, down from 10,385 to the greenback a week earlier with companies making month end settlements, with dealers seeing no boost in the coming week.

New Zealand Dollar: The New Zealand dollar closed Friday worth 40.23 US cents, down from 41.43 cents a week earlier.

Philippines Peso: The peso closed sharply lower at 49.51 pesos to the dollar on Friday from 49.135 pesos to the dollar on March 23.

Singapore Dollar: The Singapore dollar breached the psychological 1.80 level against the US dollar – a figure last seen during the Asian financial crisis in 1997 – in line with weakening regional currencies.

In late session Friday, the local unit traded at 1.8026 to the dollar from 1.7832 last week.

South Korean Won: The won plunged to a 29-month low of 1,327.50 to the dollar on Friday, compared with 1,307.10 won a week earlier, as the Japanese yen drifted lower against the dollar.

Taiwan Dollar: The Taiwan dollar closed at 32.837 against the US dollar Friday, down from Monday's close of 32.699, on the backing of a weak Japanese yen.

Thai Bhat: The baht plunged to its lowest level in three year on Friday, falling in line with the yen and other regional currencies amid a weakening picture for the Thai economy, particularly in the crucial exports sector.

The Thai baht closed Friday at 44.97-45.00 baht to the dollar compared to the previous week's close of 44.12-27.

Thai PM unveils plan to boost stock market

AFP, *Bangkok*

Prime Minister Thaksin Shinawatra has unveiled an economic stimulus package to revive Thailand's ailing stock market by quickly privatising state enterprises and cutting corporate taxes, according to weekend reports.

Following a Bangkok meeting of officials from 27 government and private agencies, Thaksin said he hoped the plan would be finalised within two months in order to spur growth in the market by the end of the year.

At the top of Thaksin's agenda is the privatisation of state enterprises such as Thai Airways International and the Petroleum Authority of Thailand that would increase the size of the Thai equity market by 700 billion baht (15.6 billion dollars) over the next three years.

"Privatisation should be undertaken before another bull run, and we cannot wait until the next market turnaround," said Thaksin, quoted by the Nation daily.

"We have to prepare ourselves for future competition, then when it comes we can run immediately."

Thaksin said seven state enterprises -- among them some of Thailand's most profitable public businesses such as the Telephone Organization of Thailand -- were slated to be privatised next year.

The poor performance of the Stock Exchange of Thailand (SET), which had a total capitalisation of just 1.4 trillion baht (31.2 billion dollars) Friday compared to 3.5 trillion baht (77.9 billion dollars) at its peak in 1995, has been blamed for the departure of foreign investors.

Thai Finance Minister Somkid Jatusripitak urged foreign investors to snap up shares in the newly-privatised enterprises.

To encourage Thai companies to list on the SET, Thaksin also announced special tax incentives for newly-listed companies that will cut corporate income tax for companies that list within four years from 30 to 25 percent for a period of five years.

CURRENCY

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major clients.

Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	54.2800	54.3100	53.8150	53.6970	53.6250
Pound Stg	77.4576	77.5004	75.6747	75.5087	75.4075
Deutsche Mar	24.8305	24.8443	23.7731	23.7210	23.6892
Swiss Franc	31.3757	31.3931	30.7339	30.6665	30.6254
Japanese Yen	0.4340	0.4342	0.4231	0.4222	0.4216
Dutch Guilder	22.0375	22.0497	21.0990	21.0528	21.0245
Danish Krona	6.4187	6.4222	6.2927	6.2789	6.2705
Australian $	26.9392	26.9541	25.5944	25.5383	25.5041
Belgian Franc	1.2039	1.2045	1.1526	1.1501	1.1485
Canadian $	34.7681	34.7873	33.7991	33.7250	33.6798
French Franc	7.4036	7.4077	7.0883	7.0728	7.0633
Hong Kong $	6.9731	6.9770	6.8864	6.8713	6.8621
Italian Lira	0.0251	0.0251	0.0240	0.0240	0.0239
Singapore $	30.4090	30.4258	29.4715	29.4069	29.3675
Euro	48.5643	48.5912	46.4962	46.3942	46.3320
Saudi Rial	14.5141	14.5222	14.3102	14.2788	14.2597

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7512	53.3665	52.9181	52.4696	52.0212	51.1243

US dollar London Interbank Offered Rate (LIBOR)

Buying($)	Selling($)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
53.6250	54.2500	USD	5.4775	5.39000	5.15	5.0975	5.12
77.3702	79.4112	GBP	5.71484	5.71734	5.64	5.61313	5.59438
Cash/TC	Cash/TC	EURO	4.82000	4.80938	4.7325	4.69875	4.69

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
46.58/46.59	60.23/60.28	43.06/43.10	3.7999/3.8001	9632/9636	1243.5/1243.8

Amex notes on Sunday's market

The inter-bank USD/BDT market was placid market. Call rates ranged between 5.5 and 6 per cent.

The dollar soared 2-1/2 yen on Friday, battering the Japanese currency to its lowest levels since October 1998, after comments from atop Japanese official deepened bearish sentiment about the beleaguered yen. The broad-based dollar rally also took the greenback to 3-1/2-month peaks against the euro for the second straight day, with sentiment on the single currency still fragile a day after ECB left interest rates unchanged. After vaulting above the key 125-yen level during European trading, the greenback's gains accelerated in US trade, US Treasury and White House officials declined to discuss Aso's comments, and Treasury Secretary Paul O'Neill brushed off questions about the weakening yen. The dollar traded above 126.25 yen according to Reuters data – its highest levels since October 1998 – before closing at 126.20 yen, up more than 2 per cent from the previous US close. The dollar's rally has taken it to levels not seen since the failure of hedge fund LTCM provoked losses of 20 per cent in the US currency's value against the yen in just three days.

The euro continued to suffer from the ECB's decision on Thursday to leave European interest rates steady, amid growing market concerns that the central bank's inactivity is putting the region's economic performance at risk. The ECB is the only major central bank not have cut interest rates this year. In sharp contrast, the US Federal Reserve has been very aggressive, slashing rates by 1.5 per cent so far this year. Bolstered by continuing demand for safe assets in uncertain times in global financial markets, the dollar roared higher against major currencies, hitting 2-1/2-year peaks against the Canadian dollar and charging up to fresh record peaks against the Australian dollar and South African rand.

At New York market close on Friday, February 23, 2001 major currency rates against the US dollar was GBP/USD 1.4162/1.4170, USD/CHF 1.7400/1.7410, USD/JPY 126.08/126.18, EUR/USD 0.8790/0.8797.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 1.4.2001

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Southern Queen	GI(Copra)	Sing	Aeka	28/11	-
J/2	Hanjin Istanbul	GI(PEAS)	Pusa	Kore	28/2	6/4
J/3	AVA	Rice (P)	Yang	MTA	17/3	6/4
J/4	Jin Cheng (Liner)	GI Busa	BdShip	22/3	1/4	
J/5	Joy Sky	C.Clinlk	-	NWSL	15/3	6/4
J/6	Al Muztuba	Rice (P)	Kara	CLA	19/3	1/4
J/7	Joy World (72)	GI(St.C)	Jaka	SSLL	31/3	2/4
J/8	Top Concord	Rice(G)	Nago	SSST	15/3	1/4
J/9	Axon andriane	GI(St.PA)	Pusa	Prog	18/3	1/4
J/10	Astra-P	C.Clink	Pada	MBL	23/3	10/4
J/11	Jaya mars	Cont	Sing	RSL	26/3	3/4
J/12	Banga lanka	Cont	Sing	BdShip	31/3	4/4
J/13	Banga Bonik	Cont	Col	Baridhi	29/3	2/4
CCT/1	Kota Bintang	Cont	Sing	Pil(BD)	23/3	2/4
CCT/2	Boxer Capt Cook	Cont	Sing	TTL	24/3	1/4
CCT/3	Xpress Renown	Cont	Col	Everbest	25/3	2/4
CCJ	Diana	C.Clink	Koshi	Seacom	31/3	7/4
TSP	Iran Mellad	R. Phos	Hamr	Seacoast	16/3	9/4
DOJ	Dailong	HSD	Sing	MSTPL	29/3	2/4
DD	Eltanin	Repair	Yang	SMSL	5/3	2/4

Vessels due at outer anchorage

Name of vessels	Date of	L Port call	Local agent	Cargo	Loading port
Mary Nour	1/4	Lang	BSL	Cement	-
Kota Berjaya (Cont)22/3	1/4	Sing	Pil(BD)	Cont	Sing
Sea Jade	2/4	-	PSAL	C.Clink	-
Monthira Naree	2/4	Sing	MBL	Urea	-
Dewan-1	4/4	-	PSAL	Gypsum	-
Marblue	3/4	-	PSAL	Gypsum	-
Kota Naga (Cont)21/3	4/4	Sing	Pil(BD)	Cont	Sing
Banglar Kallol	3/4	Mong	BSC	Ballast	-
Chol San Bong Chong Nyon Ho	2/4	Krab	BSL	Gypsum	-
QC Teal (Cont)15/3	4/4	P. Kel	QCSL	Cont	Sing
Acturia(Cont) 14/3	6/4	P. Kel	QCSL	Cont	Sing
QC Lark (Cont(28/3	3/4	P. Kel	QCSL	Cont	Sing
Kuo Hsiung (Cong)25/3	2/4	P.Kel	QCSL	Cont	Sing
Da Fa (Cont)25/3	2/4	Sing	RSL	Cont	Sing
Orient Star	3/4	Col	RSA	GI	-
Asean Express	4/4	Tuba	Ancl	Cement	-
Shun An (liner)	4/4	Sing	RML	Gi(St.C)	-
Amarta VII (72)29/3	4/4	-	Everett	GI(St.C)	-
Le Chang Ling	5/4	Kohsi	RML	C.Clink	-
Lestariutama	4/4	PHIL	SSTL	Cement	-
APL Colombo (Cont)25/3	5/4	Sing	NOL	Cont	Sing
Alam Selar	4/4	Kemb	Litmond	Rape Seed	-
Xpress Resolve (Cont)27/3	4/4	-	Everbest	Cont	Col.
Min Jiang (Liner)	4/4	-	BdShip	GI	-
Fairbanks	5/4	DJIB	OTBL	Demolition	-
Jaamit (Cont) 27/3	5/4	Sing	Cross	Cont	Sing
Kota Singa (Cont)27/3	5/4	Sing	Pil(BD)	cont	Sing
Mandiru Jaya (72)29/3	5/4	-	Everett	GI(St.C)	-
Abuja (Cont) 27/3	6/4	-	RSL	Cont	Sing
Banglar Moni (Cont)29/3	6/4	Sing	BSC	Cont	Sing
Banga Birol (Cont)27/3	7/4	-	BdShip	Cont	Sing
Banga Bijoy (Cont)27/3	8/3	-	Baridhi	Cont	Sing
Spress nuptse (Cont)29/3	9/4	-	RSL	Cont	Sing

Tanker due

Nand Smit	1/4	Sing	Sealift	CPO	-
Trompeteros	3/4	Dubai	Seacom	CDSO	-

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Energy Explorer-IV	-	-	BBAL	5/4
Ismaya	-	-	Arafeen	17/8
Dea Champion	-	-	Arafeen	R/A(1/3)
Dea Conqueror	-	-	Arafeen	R/A(31/12)
Dea Captain	-	-	Arafeen	R/A (18/3)
Seabul Command	-	-	Ibs	R/A(20/3)
Overseas Juneau	Wehat(G)	P.Qas	Lams	30/3
Agia Kyriaki	Wheat(G)	-	Lams	R/A (29/3)
Banglar Urmi	Wheat(G)	-	Lams	R/A (31/3)

The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.