

Malaysia asked to buy more Thai rice under AFTA deal

AFP, Kuala Lumpur

Thailand has asked Kuala Lumpur to buy 100,000 more tonnes of its rice a year as part-compensation for a delay in opening up Malaysia's auto sector under a regional free trade deal, a report said Friday.

Malaysia is expected to reply to the proposal by the end of June, Business Times said.

Malaysia's sole rice importer Padiberas Nasional Bhd (Bernes) was quoted as confirming that it had discussed the Thai proposal with the international trade ministry.

"We are still taking about it," a Bernes executive, Mamat Daud, was quoted as saying.

Under the proposed Association of Southeast Asian Nations (ASEAN) Free Trade Area, ASEAN's six original members must cut tariffs on imports for agreed products to a maximum of five per cent by January 1, 2003.

Last year Malaysia won a two-year delay for its heavily-protected auto sector. Malaysian and Thai officials have held several rounds of talks since then on compensation to Thailand.

After a meeting in March, Malaysia's International Trade Minister Rafidah Aziz said there should be "no problem" reaching agreement by June.

Malaysia imports about 600,000 tonnes of rice a year of which more than 40 per cent comes from Thailand, Business Times said.

Mamat was quoted as saying that agreeing to Thailand's request would mean a possible cut in rice imports from other countries. Vietnam and China currently account for about 20 per cent each of Malaysia's imports.

Abuse of foreign workers worries Taiwan govt

AP, Taipei

In the wake of an increasing number of abuse reports, Taiwanese employers will be offered classes about their limited rights over foreign workers, an official said Friday.

There are about 100,000 Taiwanese who employ foreigners - mostly from the Philippines, Thailand, Indonesia and Vietnam - to do housekeeping, construction and factory work.

The lessons on how employers should treat the workers won't be compulsory, but local governments will encourage employers to take the classes, said Wu Chung-ming, an official of the Labour Council.

"Many of the employers discriminate against workers from developing countries. They think they can do whatever they want to the foreign labourers," Wu said.

"The concept of fairness and equality needs to be better promoted," he said.

Rape, sexual harassment and other abuses against the foreign workers are frequently reported.

A 26-year-old Indonesia domestic worker ran away from her employer's home in Taipei this week and reported to police that she had been forced to work 20 hours a day for the past four months. When she failed to meet work demands, she was beaten and lashed with a whip, police quoted her as saying.

Unsuitable level of euro fuelling euro-zone inflation: ECB

AFP, Frankfurt

The level of the single European currency, the euro, is unsatisfactory and is fuelling inflation in the 12-nation euro-zone, Ernst Welteke, a member of the European Central Bank, said on Friday.

Welteke, asked by the German daily Frankfurter Allgemeine Zeitung if the euro was a weak currency, replied: "No. The reason for the evolution of the exchange rate (between the dollar and the euro) is a difference in appreciation of the economic situations in America and Europe."

"The euro's weakness is one of the reasons behind the recent rise in inflation," in the euro-zone, Welteke, who is also president of the German central bank, said in the newspaper interview.

Inflation in the 12-nation zone reached 2.9 per cent in April on a 12-month basis, well above the ECB's medium-range target of 2.0 per cent.

In Tokyo trade on Friday, the euro was trading hands for 0.8587 dollars.

It was believed to have had some support from comments by Alan Greenspan, chairman of the US Federal Reserve, who warned on Thursday that US economic weakness was likely to continue in the near term.

Draft US-British easing plan turned down

Russia balks at UN talks on Iraq sanctions

REUTERS, United Nations

Russia on Thursday threw another roadblock toward UN adoption of a US-British plan to ease sanctions on consumer goods to Iraq by refusing to negotiate seriously on a resolution the allies offered, Western diplomats said.

After openly opposing the draft, Russian envoys attended talks involving Iraqi specialists from the 15-member Security Council. But diplomats said they still wanted the resolution dropped, arguing that adoption would provoke Iraq.

"We'd like to have council input if we can," a British official said, speaking on condition of anonymity. "But we're not going to bend over backwards to get if Russia's conditions are those set by Iraq."

There was no immediate response from Russian diplomats.

The United States and Britain want the measure adopted before June 3, when the current phase of

the UN oil-for-food humanitarian program expires. That plan, initiated in December 1996, aims to ease the impact on ordinary Iraqis of sanctions imposed when Baghdad's troops invaded Kuwait in August 1990.

Iraq, which wants no resolution that perpetuates the sanctions, has threatened to suspend the oil-for-food programme entirely and stop exporting oil if the measure is adopted. Such a move could impose new burdens on Iraqi civilians and raise the price of oil.

Instead, Iraq says the current plan should be extended. The program requires proceeds from Iraqi oil sales to be put in a UN escrow fund out of which suppliers for goods imported to Iraq are paid.

Russia, a permanent council member, along with the United States, Britain, France and China, can use its veto power to kill the resolution. But most envoys ex-

pect Moscow would abstain if the measure comes to a vote, as it has in the past.

China too has said the resolution should be delayed while France has been conciliatory and submitted several amendments, which will be included in the draft.

"It's quite clear that Russia is finding it quite difficult to oppose the sanctions proposals in our resolution in terms of benefiting the Iraqi population," the British official said.

"Instead, it is trying to throw up smoke by saying this resolution will cause a new confrontation," he said.

The resolution aims at dropping embargoes on all nonmilitary items, from bicycles to whiskey. But it retains the current system of having the bulk of Iraq's oil revenues run through an UN escrow account, leaving Baghdad without direct control of its monies.

"We want a serious - and I stress a serious - and constructive discussion of the UN draft, but we feel even at this stage that this will involve more time than is left before June 4," Russian Ambassador Sergei Lavrov said.

In an effort to keep out of Iraq

US economic uncertainty slowing world trade: WTO

IPS, Geneva

International trade this year hinges on the outcome of the economic uncertainty reigning in the United States, following an exceptional global trade performance in 1999, says the World Trade Organisation (WTO) annual report, published here Wednesday.

The value of world trade in merchandise expanded last year by 12.5 per cent, reaching a total of 6.2 trillion dollars. But this year the global economy is experiencing a declaration, clouding the trade prospects for 2001.

Calculations made a year ago forecast 12 per cent growth for world merchandise trade this year, but given the current circumstances, the prediction was adjusted to just seven per cent.

Drawing up forecasts about trade performance for the rest of this year is completed by the "contradictory signals" coming from the United States, said Karl Finger, head of the Economic Research and Analysis Division at the WTO.

The marked decline in imports in the world's leading economy in the first months of 2001 is causing stagnation in international trade.

Retirement scheme, forex losses take toll

Mazda suffers its biggest ever loss

AFP, Tokyo

Japanese carmaker Mazda Motor Corp. said Friday it plunged to a record net loss of 155.2 billion yen (1.29 billion dollars) in the year to March due to one-off retirement charges and foreign exchange losses.

"We posted the biggest loss ever," said Mazda's finance director Keishi Egawa.

However, the troubled automaker said it aimed to break even in the current year.

Mazda said it lost 57.5 billion yen due to a strong yen and was hit by a further 39.6 billion yen loss after it closed a plant in Hiroshima in western Japan and implemented an early retirement scheme.

"This unfavourable result includes 154.6 billion yen for the full write-off for retirement benefits," said the carmaker added in a statement.

The huge loss contrasted with a net profit of 6.19 billion yen a year earlier.

Revenue slipped 6.7 per cent to 2.02 trillion yen, partially due to weak domestic sales, with pre-tax losses at 29.8 billion yen against a

pre-tax profit of 6.19 billion yen a year earlier.

A weak Japanese economy meant sales at home dropped 3.4 per cent from last year to 333,803 vehicles. The number of cars sold overseas skidded 5.6 per cent to 630,188, reflecting lower sales in Europe.

Despite the record losses, the company said it was committed to breaking even in the current year due to expectations of higher foreign sales.

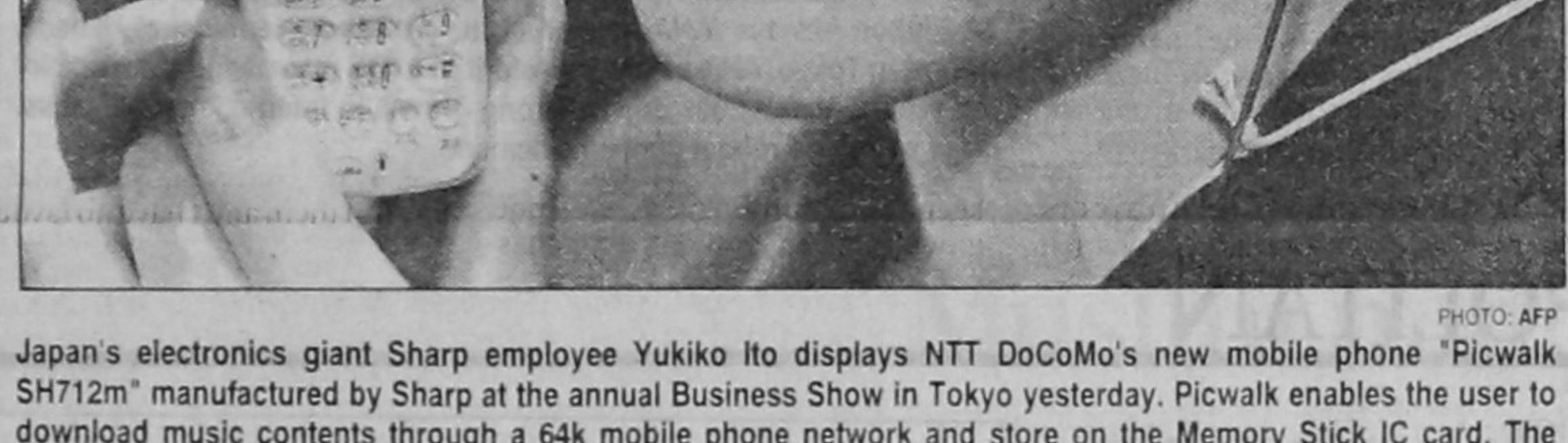
"We forecast a growth in sales in North America, Australia and other regions helped by the weakening yen," Egawa said.

He added that further cost-cutting would help push up earnings.

"We aim to break even for the year to March 2002," he said.

Sales were predicted at 2.14 trillion yen, with pre-tax profit to two billion yen and a zero net profit.

Mazda, the only Japanese carmaker to lack significant overseas production, had been badly hurt by the euro's enduring weakness, which had depressed revenue in yen terms.



Japan's electronics giant Sharp employee Yukiko Ito displays NTT DoCoMo's new mobile phone "Picwalk SH712m" manufactured by Sharp at the annual Business Show in Tokyo yesterday. Picwalk enables the user to download music contents through a 64k mobile phone network and store on the Memory Stick IC card. The Picwalk is now on sale in Japan with an estimated price of 315 USD.

Criminal charges against fugitive Daewoo boss

AFP, Seoul

South Korean fair trade watchdog on Friday said it had asked prosecutors to bring criminal charges against the fugitive head of the bankrupt Daewoo Group, Kim Woo-Choong.

The Fair Trade Commission (FTC) accused Kim Woo-Choong of filing false reports about the group's affiliates, hiding six units under its umbrella from government authorities.

"Immediately after a plenary meeting of the FTC on May 2, the FTC made an official request to prosecution authorities to bring charges against him," an official of the FTC said.

"We have concluded that in the case of ex-chairman Kim, the methods of covering up the hidden units of the Daewoo Group from the eyes of authorities were very intentional and malicious," he said.

Of the six hidden affiliates uncovered, three, including Sei-

myung Industry, Hungil Industry and Seimyung Metal Industry, were affiliates of Daewoo Motor, while the other three -- Motojoy, Ohnsung Electronics and Sewha Industry -- belonged to Daewoo Electronics.

The FTC discovered these firms were dropped from the list of Daewoo affiliates in 1998 and 1999.

An earlier warrant has already been issued for Kim Woo-Choong's arrest on charges of fraud and embezzlement.

Kim is also suspected of securing 10 trillion won (7.8 billion dollars) from banks by beefing up the assets of the Daewoo Group to the tune of 41 trillion won (32 billion dollars).

Kim, 65, disappeared after the Daewoo Group collapsed under 80 billion dollars of debt in July 1999. Two weeks ago, South Korean prosecutors asked Interpol to issue an international warrant for his arrest.

Japan tops list of creditor nations

AP, Tokyo

Japan in 2000 was poised to become the world's top creditor country for the 10th straight year, with its second-largest level of net external assets ever, the government said Friday.

At the end of December, Japanese net external assets totaled some 133 trillion yen (US\$1 trillion), up 57.0 per cent from a year earlier, the Finance Ministry said.

Net external assets are a country's total holding of overseas stocks, bonds and other securities minus overseas debts.

It was the largest amount since Japan posted 133.273 trillion yen (US\$1.1 trillion) in net external assets at end of 1998. The ministry began compiling such date under the current calculation method in 1995.

To help Japan emerge from its decade-long economic slowdown, the nation's central bank in February 1999 implemented super-low interest rates.

That policy was lifted in August 2000, but the central bank returned to the policy in late February amid renewed worries about an economic slump.

Year-2000 data are not yet available in most other major industrialized nations, but Japan was likely to retain the top spot, given that Switzerland was a distant second at the end of 1999.

Ministry officials said the nation's net external assets were boosted last year as financial institutions aggressively invested in bonds in the United States and European countries, driven away by Japan's near-zero-per cent interest rates.

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