

## Asia gloom deepens as S'pore heads into recession

AFP, Singapore

The storm-clouds gathering over East Asia's export-led economies darkened Saturday when Singapore reported an 0.8 per cent contraction of its manufacturing sector in April.

The decline in the sector followed year-on-year growth of 13.3 per cent in February and 6.4 per cent in March, according to government figures.

The figures, which the city state's Economic Development Board (EDB) said largely reflected a collapse in demand for electronics exports, particularly from the United States, confirmed fears that Singapore's economy is headed for a recession.

They will also add to the broader sense of gloom in the region, coming a day after similarly pessimistic data from Taiwan and Hong Kong.

Taiwan announced on Friday that growth had slumped to a 26-year-low of 1.1 per cent in the first

quarter. Hong Kong reported growth of just 0.3 per cent in the same period and slashed its forecast for the year as a whole from 4.0 to 3.0 per cent.

Electronics account for 55 per cent of Singapore's exports and the sector has been hit hard by the slowdown in the US, where latest economic figures suggest the economy ground to a virtual standstill in the first three months of the year.

With the slump in April, growth in manufacturing output for the first four months of the year was at a marginal 1.6 per cent, the EDB said in a statement.

The electronics sector dipped 8.8 per cent April, leading an almost across-the-board decline. The electronics industry contracted 1.4 per cent in the January to April period.

Only the fledgling biomedical sciences sector, which is being developed to reduce dependence on electronics, bucked the trend, posting a 64.9 per cent increase in output.

"Reflecting the worldwide downturn in demand for semi-conductors, output of chips was depressed due to weak orders," the EDB said.

"The output of telecommunications equipment continued to slide because of poor demand from Asia Pacific market. Output of disk drives was reduced due to slackened demand and erosion of prices," it said.

The chemicals cluster contracted 0.9 per cent, with mild growth in petroleum and petrochemicals output failing to offset a 7.9 per cent drop in the production of specialty chemicals.

The engineering group fell 1.0 per cent due to a 14.4 per cent decline in precision engineering.

Biomedical sciences saved the day for the manufacturing sector, rising almost 65 per cent. Pharmaceuticals surged 87.2 per cent and medical devices output was up 12.1 per cent.

In a survey by the EDB of business expectations published ear-

lier this month, 29 per cent of industrialists expected conditions to deteriorate over the next six months, while just 10 per cent saw an improvement.

Singapore's gross domestic product (GDP) growth slowed to 4.5 per cent in the first quarter, from 11 per cent in the last three months of 2000.

Trade ministry chief economist Tan Kong Yam said earlier this month that second quarter GDP would be weaker than the first and admitted that a technical recession -- two consecutive quarters of falling output -- was on the cards.

The ministry has however maintained its full year growth forecast of 3.5-5.5 per cent with a recovery expected in the second half of the year in tandem with an expected US economic revival.

Private sector analysts are not so confident and have warned the government may have to slash its annual forecast and that any pickup will not come before next year.

## Iraq rejects French proposal to ease UN sanctions

AP, Baghdad

Iraq on Saturday rejected any proposal that would ease 11 years of UN sanctions while tightening an arms embargo, saying French-proposed changes to the draft UN resolution were equally unacceptable.

"Iraq totally rejects the new French resolution, which was introduced to the Security Council," Deputy Prime Minister Tariq Aziz told the official Iraqi News Agency.

"From a preliminary reading of the French resolution, it looks similar to the British resolution, but with French makeup," Aziz said.

He did not elaborate further, and it wasn't clear if he was referring to the French amendments in the existing British-proposed resolution calling for lifting of restrictions on most civilian goods entering Iraq while toughening enforcement of an arms embargo and UN control over Iraq's oil revenues.

The United States has endorsed the British proposal. In New York Friday, China

joined Russia in criticising the plan, say it appeared aimed at punishing Baghdad rather than easing life for Iraqis.

The split among the veto-wielding members of the UN Security Council signaled tough negotiations ahead and raised a major obstacle to US and British

efforts to win council approval for their overhaul of sanctions by June 4th, when the current phase of the UN oil-for-food humanitarian programme expires.

France has taken a more conciliatory approach in an effort to achieve consensus among all 15 council members. The French-proposed changes to the British draft resolution were discussed Friday at a closed meeting of the five permanent members, diplomats in New York said. It has not immediately known what the French were proposing.

Iraq has also threatened to quit the oil-for-food programme if the British proposal is endorsed.

On Saturday, Iraqi Trade Minister Mohammad Mehdi Saleh said his country was prepared to deal with all consequent Iraq was a failure.

"The new American resolution, in all its details, is a clear confession that the Zionist-American evil plots against Iraq have failed totally and that they failed in isolating Iraq," the government daily al-Jumhuriya said in a front-page editorial Saturday.

## New marketing director of Glaxo Wellcome

M Azizul Huq has been appointed Marketing Director and inducted to the Board of Directors of Glaxo Wellcome Bangladesh Limited, a subsidiary of the world's leading pharmaceutical company -- GlaxoSmithKline Plc, says a press release.

He joined Glaxo Wellcome in 1998 as Marketing Manager and was appointed General Manager of Marketing & Sales in 2000.

Before joining Glaxo Wellcome, Azizul Huq was Marketing Manager for Rhone Poulenc Rorer and Fisons in Bangladesh (currently known as Aventis Pharma), where he worked in various capacities for about 9 years.

Azizul Huq holds a post graduation degree in Pharmacy from Dhaka University and also an MBA from the Institute of Business Administration.

## PRAN tomato paste cooking demonstration held

PRAN Tomato Paste cooking demonstration was held at "Uttara Ladies Club" in the city recently, says a press release.

Nutritionist and recipe writer Ayasha Siddiqui and Nasira Kabir conducted the demonstration.

Some members of the Club attended the demonstration.

Ayasha Siddiqui and Nasira Kabir prepared the delicious items 'chicken curry' using PRAN Tomato paste.

In Bangladesh, PRAN is the first-ever company to produce this tomato paste from ripe and fresh Bangladesh tomato is a hygienic way through fully automatic machine.

PRAN Tomato paste can be used as the substitute of fresh tomato all the year round.

PRAN Tomato paste is now available in the retail outlets all over the country at a reasonable price. The quality of this paste is better than that of any foreign brand.

## Isuzu to cut 24pc workforce over 3 years

AP, Tokyo

Troubled Japanese automaker Isuzu Motors Ltd will eliminate about one-fourth of its work force over the next three years and shutter one of its three main domestic plants as part of a drastic overhaul plan, newspapers reported Saturday.

Isuzu's plan would cut 9,000 jobs to 29,000, mostly through voluntary early retirement packages and a hiring freeze, the Nihon Keizai newspaper said. The nationwide Yomiuri newspaper carried a similar report.

The automaker will also close its truck making plant in Kawasaki city, on the southern outskirts of Tokyo, reducing its truck making capacity by one-third, the Nikkei reported.

Isuzu spokeswoman Yoshiko Shibata would only say that the company currently has too much output capacity at its truck making plants and plans to cut costs by redistributing production among domestic and overseas plants.

"We do have to adjust to the current level of demand," she said. She refused to elaborate.

She would not comment on the newspaper reports. The company will discuss its cost-cutting plans when it announces earnings on Monday, she said.

The reports came after Isuzu said it would carry out a management shake-up in June, replacing its chief executive and naming a former General Motors Corp officer as vice president. GM is Isuzu's largest shareholder, owning a 49 per cent stake.

Japan's economic downturn has hit Isuzu hard. The company's domestic truck sales have fallen by half in the last decade, and the group pretax losses it has forecast for the fiscal year ended March 31 would be the third straight year of losses.

Isuzu hopes to lower costs by working closely with GM parts suppliers, while expanding sales of diesel engines made at a factory in Poland to its US partner, the Nihon Keizai said.

The Japanese automaker hopes to reduce much of its estimated 1 trillion yen (\$8.3 billion) in debts and is considering selling its headquarters building in Tokyo.



Photo shows PRAN Tomato Paste cooking demonstration held in Uttara Ladies Club in the city recently. Members of Ladies Club are seen.

## India tightens laws on foreign visitors

AFP, New Delhi

India's Hindu nationalist government has tightened laws on foreign visitors, who must now be registered with police within 24 hours of their arrival, the Times of India said Saturday.

"It is to deter the illegal entry of foreigners into the country," the newspaper quoted a home ministry spokesman as saying.

"There has been an influx of a large number of foreigners into the country -- particularly from Bangladesh, Afghanistan and Pakistan. Many of them have overstayed, burdening the economy," he added.

The Foreigners (report to police) Order, 1971, was enforced and made public through advertisements in prominent national dailies this week "in the interest of national security."

## US lawmakers back steps against unfair practices by trade partners

AFP, Washington

Members of a key Congressional committee are pushing legislation to make it easier for the United States to slap sanctions on foreign competitors deemed to have violated US trade laws.

The bill, introduced on Thursday by Representative Benjamin Cardin, would strengthen existing laws that have already outraged some of Washington's key trading partners.

One of the measures allows the US Commerce Department to impose punitive duties on foreign goods determined by US officials to have been "dumped" on the US market at prices well below fair market value and cost of production.

Another provision calls for "countervailing duties" on imports if they are found to have benefited from unfair government subsidies.

The legislation, endorsed by several of Cardin's fellow members of the House Ways and Means Committee, would make it easier for US companies to prove they have been injured by a surge in imports and to secure relief from unfairly priced and subsidized imports.

A third component of the legislation would establish a notification mechanism to collect, analyse and release import data concerning the steel industry.

US steel producers have been especially active in filing anti-dumping complaints, arguing that a flood of cheap imports -- notably

from Japan, Russia, Brazil and South Korea -- have imperilled the domestic industry.

"The global overcapacity of steel has led to a serious dumping problem that is not in the best interests of our country," Cardin said in a statement.

"It's painfully obvious that we must strengthen our trade laws to protect American industry and workers."

Washington's reliance on anti-dumping measures has drawn sharp condemnation from US trade partners, Japan in particular, but are defended by US officials in order to "level the playing field" in international commerce and to ensure domestic support for expanded trade.

Critics of anti-dumping and countervailing duties have a powerful ally in US Federal Reserve Chairman Alan Greenspan, who sees them as tactics aimed at hindering competition.

"Thwarting competition, by placing barriers to imports, will prevent markets in the United States and other nations from deploying capital to their most productive uses, that is, the most cost-effective production of those goods and services most highly valued by consumers," he said in Congressional testimony early last month.

"These forms of protection have often been imposed under the label of promoting 'fair trade' but oftentimes they are just simple guises for inhibiting competition."

## 2-month Wall Street rally may face spoilers ahead

AP, New York

Stocks have been advancing gradually for the past two months on a combination of interest rate cuts and some economic reports that suggest the business climate is improving.

But there are potential spoilers ahead for Wall Street as summer approaches. Most worrisome are rising energy costs -- as many consumers preparing for the Memorial Day holiday weekend found out at the gas pump this week -- as well as the continuing murky profit outlook for most companies.

With gas prices up as much as 10 per cent from the same time a year ago, resulting in regular unleaded gas prices of nearly \$2 per gallon (3.8 liters) in some places, the fear is that consumers will cut back their spending or other spending to keep their cars moving.

"The market is expecting there's going to be relief in energy prices for consumers. The risk is that energy prices don't come down as quickly as we think," said Matt Brown, head of equity management at Wilmington Trust, who also worries that swelling consumer credit and debt levels could impede spending. "Essentially higher energy costs take money out of consumers' pockets that they'd otherwise be spending on autos or other goods."

That in turn can hurt retailers and retailing stocks, which have climbed more than 7 per cent in the past two months on expectations of a turnaround, according to the Standard & Poor's Retail Index.

"The consumer is two-thirds of the economy. When you look at the big picture, less spending could lead to a slowdown in retailing which can mean layoffs and other problems," said Brown.

The health and strength of corporate earnings, which have been weak for nearly a year now, are another concern. With five interest rate cuts from the Federal Reserve since the beginning of the year and no signs of imminent economic collapse, most analysts agree a turnaround will occur -- but the question remains when.

Most of the recent stock buying has been predicted on the belief that fourth-quarter results will be strong, partly because of the improving economy. Also, year-to-year comparisons should be easier because the fourth-quarter of 2000 was weak.

Still, there's been no concrete indication that corporate numbers are strengthening, even in industries whose business cycles are considered more predictable. One example -- chemical products maker DuPont, which said

Wednesday that business conditions are so difficult that it cannot forecast profits for the remainder of the year.

"I think the main difficulty the market will face is not going to be some major shock, but earnings," said Charles Pradilla, chief investment strategist at SG Cowen Securities. "If we get the sense there's a chance that earnings are not going to turn around until the first or second quarter of next year, then we'll have a downward turn."

Historically, summer has been a quiet time for the markets.

"You get reduced volume because everyone is on vacation and lower volume is usually equated with lower stock prices," said Jeff Hirsch, publisher of the Stock Trader's Almanac, who believes the best months for the market are between November and April. "There may be some good news though. There probably will be a July-August rally."

Last summer, for example, stocks rose as investors bought stocks in hopes of cashing in on what was then still a bull market.

A similar catalyst for the markets might come this summer if the Federal Reserve makes its sixth interest rate cut of the year when it meets in late June. Fed Chairman Alan Greenspan indicated this week that the worst appears over,

but further economic weakness might prompt another rate reduction.

Despite the uncertainty, many analysts remain bullish on the market's prospects looking ahead, although they expect the rally to slow down and be more uneven.

The Dow Jones industrials have risen 17.2 per cent from their low last close for 2001 -- 9,389.48 reached March 22 -- but remains 6 per cent from the blue chip index's all-time high reached in January 2000.

The Nasdaq composite index has gained 37.3 per cent since its lowest close of 2001 -- 1,638.80 on April 4 -- although it is still 55 per cent below its March 2000 peak.

"Between now and probably until Labour Day, I'd expect drifting, choppy trading with maybe a high of 2,400 and a low of 1,900 on the Nasdaq," said Pradilla.

"I would expect a more moderate upward trend in a more of a saw-tooth pattern than we've had," said Jim Weiss, head of equities at State Street Research. "We won't have good earnings news but I think when we get to July and total it all up there will be a few more companies that surprise on the upside for the second-quarter so we will get a little bit of encouragement."

## African Development Bank to meet amid grim outlook

AFP, Abidjan

The African Development Bank (ADB) is set to hold its 36th annual meeting in Valencia, Spain next week amid a slew of problems hampering economic growth on the African continent.

The meeting, the first in a non-African venue, is set to focus on debt and poverty relief as well as mounting arrears owed to the Bank by some member countries.

Created in 1966, the ADB counts 53 African and 24 non-African nations.

A meeting of the African Development Fund will also be held simultaneously.

The annual meeting, from Tuesday to Thursday, comes at a time when the global economy is in the doldrums.

While an increase in the price of petroleum has benefited some African countries, the average continental economic growth has not been spectacular -- 3.2 per cent for 2000 against 2.7 per cent a year ago.

"In comparison, the African performance trails behind others in terms of development," the annual report of the ADB for the year 2000 said.

It said major impediments included regional conflicts, poor health, education and drinking water facilities and the HIV/AIDS pandemic.

The other problem is poor foreign investment level -- 9.3 billion dollars in 2000 against 9.8 billion in 1998.

Africa's external debt in 2000 declined marginally by about three billion dollars from its level in 1999, which stood at 337 billion dollars.

ADB president Omar Kabbaj, while presenting the organisation's activities during 2000 to ambassadors of member nations in March, said priorities remained the reduction of poverty and working towards stable economic growth.

Kabbaj said the ADB was currently engaged in "providing debt relief to the heavily indebted African countries" under an initiative launched in 1999.

He said an "enhanced framework" had increased "the number of eligible countries from 25 to 31" and its cost had doubled to nearly 28.6 billion dollars.

Kabbaj said debt reduction facilities had already been extended to 16 countries in 2000 and early 2001, adding that six other countries would be given the same facilities this year.

"The prospects for a significant decline in Africa's debt and debt-service burden are now better than ever," he had said.

The ADB chief said Africa's gross domestic product (GDP) growth last year averaged 3.2 per cent, "well above the average of 1.1 per cent for the period of 1990-94" but "well below the peak of 5.6 per cent achieved in 1996."

Kabbaj, who was re-elected as ADB boss in May 2000 for a second five-year term, said the Bank had to guard against "the accumulation of arrears by certain countries which could pose a threat to its financial health."

The number of countries with debt arrears of more than six months has "risen slightly," according to the latest report. The figure rose to 54.2 million dollars in 2000 from 46 million dollars the previous year.

At the Valencia meeting, the Bank will also discuss the state of its inquiries into "the temporary relocation" of its headquarters should this be warranted.

The ADB is headquartered in Abidjan, Ivory Coast's main city. Ivory Coast, once a haven of peace and prosperity in troubled west Africa, has been rocked by political troubles for the past 18 months.



M. Aminuzzaman, Managing Director of Uttara Bank Limited, addresses the probationary period completion ceremony of the bank's Probationary Officers batch-2000 on Friday. Top executives and regional heads of the bank were also present.