

Moore picks 22 ministers for S'pore WTO talks

AFP, Singapore

Singapore said Friday that 22 select trade ministers would attend informal negotiations next weekend aimed at paving a smooth path towards a new round of global free trade talks.

The list was drawn up by World Trade Organisation (WTO) director-general Mike Moore, a Singapore trade ministry spokeswoman told AFP.

The informal talks, after a similar meeting in Mexico last month, are aimed at narrowing differences between rich and poor nations ahead of the new round of WTO talks set for Doha, Qatar next month, officials said.

Trade representatives invited to Singapore, who were also at the Mexico talks, are from Australia, Brazil, Canada, the European Union, Egypt, Hong Kong, India, Jamaica, Japan, Mexico, Singapore, South Africa, Switzerland, Tanzania and the United States.

Also invited are delegates from Colombia, Gabon, Indonesia, South Korea, Malaysia, Pakistan and Qatar.

There is mounting pressure on some countries to soften their positions on free trade, to avert a repetition of the failure to launch a new round at the last full WTO ministerial meeting in Seattle in 1999.

Moore said the Mexico talks "edged forward," although substantial differences remained in many areas, particularly agriculture.

US Trade Representative Robert Zoellick said some "significant" differences remained after Mexico.

Malaysia to sell power to S'pore next year

AP, Kuala Lumpur

Malaysia's national power utility hopes to sell between 500 megawatts and 1,000 megawatts of its energy reserves to Singapore when the city-state opens up its power sector next year, the company chairman said.

Tenaga Nasional Bhd. has reserves of about 3,000 megawatts to tap into as demand for energy is only 10,000 megawatts out of a total capacity of 13,000 megawatts, Chairman Jamaludin Jarjis said in Friday's Business Times newspaper.

"I think Singapore is now thinking of allowing up to 30 per cent of its total energy requirement to be brought in from outside," Jamaludin was quoted as saying. He said Singapore's energy requirement is about 4,000 megawatts.

"So we can sell anything between 500 megawatts and 1,000 megawatts," he said.

Jamaludin said Tenaga would also be using up more of its energy reserves by venturing into other countries.

"That's why in future, we're planning to have our (power) grid connected to Sumatra," an Indonesian island, he said. "We're also looking at Thailand."

Jamaludin also confirmed Tenaga will lead a Malaysian consortium to bid for one of three power plants to be sold in Singapore next year.

They are the 2,860-megawatt Power Seraya plant, the 2,661-megawatt Power Senoko plant and the 1,200-megawatt Tuas Power plant, all owned by state-controlled Temasek Holdings Ltd. The plants have a combined book value of about \$2.5 billion.

S'pore targets 1m tourists from China by 2005

AFP, Singapore

Singapore is targeting one million tourists from China by 2005, Trade Minister George Yeo said Friday, a 150-per cent increase from year 2000 levels.

"Due largely to China's strong internal economy, the STB (Singapore Tourism Board) targets to achieve one million visitor arrivals to Singapore by 2005. This will place (China) as one of our largest tourism markets," he told parliament.

"We intend to tap this market to the fullest extent possible. This large flow will feed our tourism sector and provide many jobs for Singaporeans," he said.

Singapore received 400,000 visitors from China in 2000. In the eight months to August 2001, arrivals from China totalled 331,092 people, up 11.4 per cent from the same period last year.

Yeo said that during the financial crisis in 1997 and 1998, tourist arrivals from China grew at a double-digit level while other markets shrank.

Prices of essential food items soar on supply dearth

STAR BUSINESS REPORT

Prices of most essential food items—especially vegetables—rose significantly in the city markets following announcement of election results.

Shop-owners believed this upward trend in prices was mainly due to the ban on movement of all types of motorised vehicles imposed by the Election Commission on the election day across the country, causing a shortage of supply.

After a few days' lull, Dhaka's kitchen markets became vibrant again and remained particularly busy. Vendors were found doing brisk business as customers came out in their herds after staying indoors during the tense pre- and post-election days.

Retailers of essential goods such as pulses, grains and lentils reported no significant change in prices of their goods, though the prices of vegetables and fruits around the city increased since the election. Meat vendors also charged higher prices for all types of meat.

Prices of different categories of rice however remained more or less stable in the city markets largely due to effective stockpiling by wholesalers. Nazirshail rice sold at around Tk 16 to 17 in different places of the city. Price of Minikit rice stayed even at Tk 17.50.

Retail prices of vegetables such as potatoes, onions, ginger, green chilies, tomatoes, cucumbers and spinach registered a hike of Tk 4 to Tk 5 on average. Per kg price of potatoes rose from Tk 7 to Tk 10, onions from around Tk 22 to Tk 28, ginger from Tk 35 to Tk 38, green chilies from Tk 40 to Tk 60, cucumber from Tk 16 to Tk 24 and spinach from Tk 12 to Tk 15. Other goods such as eggs saw an increase in their wholesale price, but their prices have remained steady in the retail market.

Bananas were quite pricey during election time due to sharp rise in demand as polling agents and party activists were supplied with large amounts of the fruit. Bananas were selling at Tk 40 per dozen as against Tk 24 to Tk 30

before the election.

In New Market and Palashi, the price of fish marked an increase of Tk 10 to Tk 30 per kg. Prices of ruhi and pangash that were around Tk 80 to Tk 100 before the election, soared to Tk 110 to Tk 120. However, price of hilsa fell significantly because of higher supply from the Padma, Jamuna and Meghna estuaries.

Beef and mutton also registered a significant rise in price. Beef sold at around Tk 80 to Tk 85 per kg as against Tk 75 earlier. Price of mutton, which sold previously at Tk 120 per kg, soared to Tk 150.

The retail price of molasses also marked a rise after the election. Molasses extracted from date and cane and sold at Tk 36 and Tk 28 per kg respectively before elections, were selling at Tk 40 and Tk 32 respectively.

Most retailers feel it is too early to make predictions on the trend of the market, but still complained of difficulties brought about by the transportation shutdown on October 1.

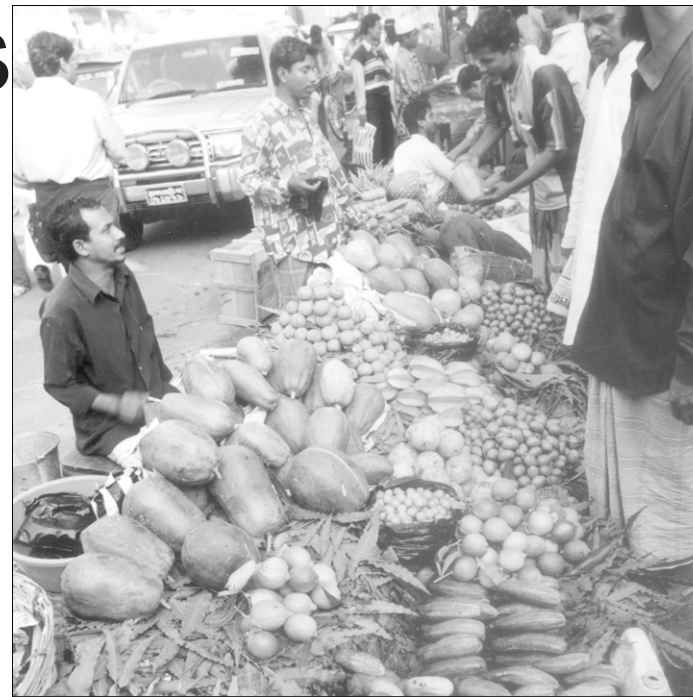


PHOTO: STAR

Vegetable supply in the city markets was seriously hampered from the day before the election. As a result, prices went up sharply for several days after the election. With transportation becoming normal, supplies are increasing and prices also coming down.

Swissair flies again but future still bleak

REUTERS, Zurich

Swissair slowly creaked back to life Thursday, resuming some flights after a last-minute government bailout ended a cash crunch which had kept the national flag carrier grounded for two days.

The airline said it was running about 30 per cent of its normal services, with the first flight of the day from Zurich carrying the Swiss under-21 soccer team to a match in Moscow.

But operations at what was once the pride of Switzerland were far from normal as Swissair struggled to convince reluctant suppliers it can once again pay its bills.

Highlighting the grim outlook for Swissair's finances, Finance Minister Kaspar Villiger told parliament that yet more short-term cash might be needed to keep the airline afloat.

"It is not yet certain that everything is now secured for the future," he said. "Perhaps more money will be needed." Without a viable structure, he warned, "there could be a second (financial) crash that will be the final one."

The Swiss government granted up to 450 million Swiss francs (\$277 million) in emergency financial aid on Wednesday to allow Swissair to fly until Oct 28, when most of its flights are due to be transferred to former subsidiary Crossair.

But the rest of the collapsed group, which includes a host of non-airline businesses, is set to perish under the terms of a bank-led bailout plan for the airline alone, leaving behind the group's debts of over 17 billion Swiss francs (\$10.5 billion).

The 1.4 billion franc rescue plan for select parts of the airline business was put together on Monday by leading banks UBS and Credit Suisse, which took effective control over the future of Swiss aviation by buying Swissair Group's 70 per cent stake in Crossair.

Swiss Television reported that Economy Minister Pascal Couchepin had said alternatives to that rescue plan, which has been widely criticised in Switzerland as an attempt by big banks to make a quick buck, were being considered.

Saudi investors brace for new trading system

AFP, Riyadh

Saudi Arabia is to launch a new trading system Saturday at the interbank financial market in a bid to boost share trading in the oil-rich kingdom.

Under the new system known as "Tadawul", meaning trading in Arabic, all transactions will be completely electronic and dispense with paper.

This will be done through transferring ownership of sold stocks through electronic accounts held in Saudi banks by dealers.

Sulaiman al-Jasser, deputy governor of the Saudi Arabian Monetary Agency, or central bank, which controls the shares market, said Thursday the new system was similar to those used on world stock markets.

Buying and selling of shares will now be completed on the same day, and the transfer of ownership as well, Jasser said. It also allows for Internet trading in the future, he added.

The system is expected to boost trading in the Saudi shares market by attracting new investors. Trading on Thursday was suspended to allow preparations to go ahead for the new system.

Transparency will be boosted by the spot announcement of share prices and allowing listed companies to publish their announcements and data through the network. Price fluctuations will be halted beyond 10 per cent on a single day.

Operations on the NCFEI, as the current market is called, is done through "trading halls" in several Saudi banks because the kingdom does not have a fully-fledged stock market.

The government is due to consider demands by economists and dealers to establish a fully-fledged public stock exchange to replace the existing interbank market.

The NCFEI has a capitalisation of more than 70 billion dollars -- the biggest in the Arab world -- and turnover hits several hundred million dollars weekly.

Saudi Arabia is the world's biggest oil supplier and has been opening up to foreign investment, approving more than eight billion dollars in foreign investment in the past year.

Talks in Washington next week

Pakistan seeks \$2.5b aid, debt write-offs

REUTERS, Islamabad

Pakistan's finance minister Shaukat Aziz said Thursday his cash-strapped country could seek around \$2.5 billion at talks in Washington next week for a key multilateral poverty reduction programme and other US debt write-offs.

Aziz leaves at the weekend for negotiations covering both bilateral affairs with the United States and the start of talks with the International Monetary Fund on the three-year Poverty Reduction and Growth Fund (PRGF).

Aziz said speculation that Pakistan would seek \$2.5 billion for the PRGF, which will involve funds from the IMF, the World Bank and the Asian Development Bank, "is not that much out of line."

He said he hoped for approval of the programme by late November or December.

The finance minister said after

agreement on that programme he would turn to negotiations with the Paris Club of bilateral donors, hoping for write-offs of some of Pakistan's \$12 billion in bilateral debt.

"We have always said we would be looking for aggressive debt restructuring, which obviously involves write-off of debt," he said in an interview with Reuters Television. "But this will have to be seen in the overall context and we will have to cross that bridge when we get to the Paris Club," he said of the grouping that negotiates bilateral debt between governments.

Aziz will arrive in Washington with a strong hand. Islamabad has established its credibility by broadly meeting IMF targets over the past year and the United States is anxious to reward Pakistan for backing its global campaign against "terrorism."

The Pakistan government,

despite public opposition, has backed US demands that the ruling Taliban in neighbouring Afghanistan turn over Osama bin Laden, chief suspect in the September 11 attacks on the United States.

"We will look for their (US) support with the IMF and World Bank and restructuring of our debt," said Aziz, who is considered the most powerful minister under military ruler General Pervez Musharraf.

But Aziz was careful not to reveal his specific requests to Washington, which last week rescheduled \$379 million in Pakistani debt and is in the process of lifting sanctions applied against the country over the last decade.

"This will be discussed as a comprehensive package but there is no quid pro quo," Aziz said of the US assistance that is flowing in the wake of Pakistan's endorsement of the campaign against terrorism.

"The agenda is open so anything

could come up," Aziz said, declining to say if he would press Washington to write off some debt instead of just further rescheduling.

The finance minister said Pakistan would face between \$4 billion and \$5 billion in maturing debt over the next three years. Pakistan is burdened by total foreign debt of nearly \$40 billion.

Aziz said it was too early to assess the impact of the prospect of war in Afghanistan on the government's economic targets but said state finances were in much better shape to withstand the shock than before Musharraf started ambitious economic reforms following his seizure of power in October 1999.

"Because of the current situation our revenue and export numbers will be lower than what we had projected and we hope that some of it will be offset by budgetary support we will receive from friendly donors," Aziz said.

Pragati Life signs deal with Comfort Nursing Home

The Health Insurance Department of Pragati Life Insurance Limited has signed a contract with the Comfort Nursing Home (P) Limited for providing preferential admission and treatment to health insured members of Pragati Life Insurance.

M Shefaque Ahmed, Managing Director and Actuary of Pragati Life and Engr. Kabir Ahmed Bhuiyan, Chairman of Comfort Nursing Home, signed the contract on behalf of their organisations in the city recently, says a press release.

Under the contract Comfort Nursing Home will provide preferential admission to the health insured members of Pragati Life Insurance Limited and the Pragati Life will settle the bills directly with the hospital if the costs of treatment of a member are within the coverage limit.

Pragati Life has also signed such contract with Samorita Hospital and Monowara Hospital in Dhaka city earlier.

Employers can take this policy for their employees. Individuals can also buy policy individually or for their family members.

Nepal to accept Chinese yuan as convertible currency

AFP, Kathmandu

Nepal will begin accepting Chinese yuan as a convertible currency in a bid to draw visitors from its northern neighbour to boost its sagging tourism industry, officials said Friday.

Officials at Nepal's central bank said the yuan should enter the foreign exchange list within two months.

The two countries are also drafting an agreement to be concluded in November declaring Nepal "one of the officially sanctioned destinations for Chinese tourists," an official with the Nepal Tourism Board said.

Few of China's one billion-plus population travel to Nepal, although official figures were not available. By contrast, nearly a quarter of the tourists come from India.

Nepal also hopes convertibility of the yuan will increase trade with China.

"This will give a relief to both Nepalese and Chinese businessmen from their dependence on US dollars, resulting in the obvious boosting of trade between the two countries," said Binod Hari Joshi, the statistician at the Federation of Nepalese Chamber of Commerce and Industries.

Nepal imported 168 million dollars from China last year, compared with seven million dollars in Nepalese exports to the north.

Tourism is one of impoverished Nepal's chief money-makers, bringing in an average of 168 million dollars a year. But fewer foreign tourists have been visiting the Himalayan kingdom since the June 1 slaying of 10 members of the royal family amid security concerns.

India ups export incentive rates

REUTERS, New Delhi

The Indian government announced Thursday an increase in export incentive rates for a host of products to boost the country's sagging exports.

The government increased duty drawback rates, an export boosting scheme, and removed the cap on another export incentive scheme, the Finance Ministry said in a statement.

Under the duty drawback scheme, exporters are compensated for a certain percentage fixed by the finance ministry of their total exports in cash.

The statement said the duty drawback rates, which were reduced earlier this year, were being revised upwards for more than 300 products.

The new rates would be effective from October 4, the statement said.

The government has also removed the cap on the duty entitlement pass book scheme, an export incentive plan, to promote exports of high value added products such as engineering goods, chemicals and textiles.

"This is being done as a one-time measure for promoting exports and the policy in this regard, shall be reviewed after March 31, 2002," the statement said.

India's exports in April-August fell to \$17.13 billion from \$17.53 billion a year ago while the trade deficit widened to \$4.6 billion from \$3.68 billion over the same period.

Analysts say a revival in exports is unlikely soon after the deadly attacks on the United States and its impact on the global economy.

Bush unveils \$3b aid for laid-off workers

AFP, Washington

US President George W. Bush announced Thursday a three-billion-dollar package to help laid-off workers as the terrorist attacks pushed more than 100,000 people out of their jobs.

"Not only should our government act to encourage economic growth, our government ought to act to take care of people whose lives were affected," Bush said at the Labour Department.

He called for unemployment benefits -- usually some 26 weeks -- to be extended by 13 weeks and for federal monies to go to hard-hit states for health care, income support and job training.

US Congress leaders said they were ready to spend up to 80 billion dollars in additional to current programs to stimulate an economy that most experts say is rapidly descending into recession.

Bush had asked them for a package of 60-75 billion dollars.

"Almost all that money has to be spent now to generate growth in the economy," said Senate Budget Committee chairman Kent Conrad.

The attacks have had a devastating impact on the labour market. The number of people filing new jobless benefit claims leapt 71,000

to a nine-year record of 528,000, seasonally adjusted, in the week ending September 29, the Labour Department said.

Massive job cuts in the wake of the September 11 attacks, in which suicide hijackers flattened the World Trade Center and damaged the Pentagon, fuelled the leap in benefit claims.

A survey by the private outplacement firm Challenger, Gray and Christmas showed US companies axed a record 248,332 jobs in September -- up 77 per cent from August and 421 per cent from September 2000.

It was the highest number of monthly job cuts recorded by the survey, which began in 1993, and it brought the total for the first nine months of the year to 1.372 million.

The huge number of new jobless claims was troubling, said Delos Smith, an economist with the private research group Conference Board.

"I assume it will be going up more the following week. We are simply adjusting to a new reality and we do not know where it ends. We have got to get everyone calmed down."

US jobless claims hit 9-yr high

AFP, Washington

The number of people filing new jobless benefit claims leapt to a nine-year record last week as the terrorist attacks battered the US economy, the government said Thursday.

New claims soared 71,000 to a seasonally adjusted 528,000 in the week to September 29, the highest number since July 1992, the Labour Department said in a statement.

The jump was caused by the secondary impact of the September 11 strikes, in which hijackers toppled the twin World Trade Center towers and damaged the Pentagon, a Labour Department spokeswoman said.

"It is a very troubling number," said Delos Smith, an economist with the private research group Conference Board.

"I assume it will be going up more the following week. We are simply adjusting to a new reality and we do not know where it ends. We have got to get everyone calmed down."

A four-week average of initial jobless claims rose 29,500 to 453,500, the biggest number since December 1991, the new figures showed.

The number of people making claims for more than one week climbed 133,000 to 3.41 million in the week to September 22, the highest figure since August 1992.

The US unemployment rate, which hit a four-year record high of 4.9 per cent in August, was on its way upwards, Smith said.

The full report on September unemployment is scheduled for release Friday, but the figures are likely to be volatile because they are based on a survey taken in the two days after the attacks, Smith said.

"We really have to wait for the following one to see what happens. With these layoffs, it is going to soar in November," he added, predicting a jobless rate rising to five, six or even seven per cent.

Smith noted that the Federal Reserve had slashed interest rates Tuesday for the second time in 15 days by half a percentage point --

bringing the key federal funds target to a 39-year low of 2.50 per cent.

President George W. Bush also asked Congress on Wednesday to pass an extra 60 billion to 75 billion dollars as an economic stimulus to limit a downward spiral in the economy.

"You can do whatever you want, you can lower interest rates, you can pass a stimulus package, but if people are immobile, then nothing helps. We have a terrified population," Smith said.

Only on Wednesday, General Electric's aircraft engine unit announced it would cut 4,000 jobs, or 13 per cent of its workforce, because of the attacks and an economic downturn.

The top six US air carriers -- the AMR parent of American Airlines, United Airlines, Delta Air Lines, Northwest Airlines, US Airways and Continental Airlines -- have laid off 85,000 people since the attack.

Plane maker Boeing has announced plans to cut another 20,000 to 30,000 as demand drops. Harris Bank economist Paul



PHOTO: PRAGATI LIFE INS

M Shefaque Ahmed, Managing Director and Actuary of Pragati Life Insurance, and Engr. Kabir Ahmed Bhuiyan, Chairman of Comfort Nursing Home, shake hands after signing a contract for providing preferential admission as well as treatment on credit to the health insured members of Pragati Life Insurance Limited in the city recently. Munshi Md. Monirul Alam, Vice-President and Dr A K Aziz Hasan, Assistant Vice-President of Pragati Life, and Engr. Md Saiful Islam, Managing Director and Engr. Abu Ahmed Majumder, Director of Comfort Nursing Home, are also seen in the picture.