

WTO members divided over investment rules

AFP, Geneva

World Trade Organisation members are divided between developed and developing countries over whether to put investment on the agenda of a new round of trade liberalisation negotiations, trade sources said on Tuesday.

Currently the issue of investment and trade is being studied at WTO headquarters here.

Supporters of elevating the discussion to consideration by the full 142-member world trade group, notably the European Union and other European countries, Japan, South Korea, Latin American countries and, to a lesser extent, the

United States, argue it would be to the benefit of all.

But developing countries, especially Malaysia and India, as well as the least developed countries are worried about the implications of being tied to multilateral rules on investment, the sources said.

There are also worries that multilateral investment rules could infringe on government powers.

WTO members discussing the issues of investment and competition at TO headquarters here on Tuesday did not show a "great shifting in positions", a source commented, adding the issues basically divided the membership in half.

Their discussions were based on a draft text setting out guidelines for future WTO negotiations presented by the chairman of the WTO's ruling general council, Stuart Harbinson of Hong Kong.

The text, under negotiation by members, is designed to serve as the basis for declarations to be adopted by WTO ministers at their scheduled November 9-13 meeting in Doha, Qatar, which may launch a new global round of trade talks.

It presents two options: negotiations to begin to establish rules or the continuation of studies by working groups on the relationship between trade and investment, and trade and competition policy.

Most Asian shares fall as US strikes continue

AFP, Tokyo

Asian shares were mostly lower Wednesday in nervous trading as US-led strikes against Afghanistan continued and following slight declines on Wall Street.

The Dow Jones industrial average fell 15.50 points or 0.2 per cent to close at 9,052.44 on Tuesday while the tech-heavy Nasdaq composite shed 35.76 points or 2.2 per cent to 1,570.19.

The Taipei market was closed Wednesday for a public holiday. Share prices in Tokyo fell half a per cent to close under the symbolic 10,000-point mark, as concerns over mounting debts in the banking sector triggered late selling.

The Nikkei 225 average of the Tokyo Stock Exchange closed at 9,964.88, down 46.89 points. The Topix of all issues on the first section of the stock exchange fell 11.83 points to 1,031.17.

Many investors remained sidelined as US-led military action continued in Afghanistan, brokers said.

HONG KONG: Shares closed fell 0.6 per cent but were off their lows with property stocks attracting late bargain-hunting after Chief Executive Tung Chee-hwa announced a stimulus package.

The key Hang Seng index lost 60.69 points to close at 10,298.24, off a low of 10,184.60.

Conita Hung, head of research with Mansion House Securities, said Tung's measures to help homeowners lent support to property counters in late trade.

KUALALUMPUR: Malaysian stocks closed 0.9 per cent lower amid poor sentiment following the third straight day of US-led strikes on Afghanistan.

The Kuala Lumpur Stock Exchange's composite index fell 5.76 points to finish at 603.90.

An institutional dealer with a local brokerage said selling pressure was moderate for most of the day before intensifying in the last half hour of trade.

SEOUL: Share prices in South Korea inched down 0.8 per cent on foreign and institutional sell-offs triggered by concerns over the US-led military strikes on Afghanistan.

The index fell 4.15 points to close at 503.46 points.

Blue chips lost ground, led by a downturn in Samsung Electronics, and SK Telecom as investors shifted interest to large-caps on the tech-heavy KOSDAQ market.

MANILA: Philippine share prices plunged four per cent through the 1,000-point support level to hit a new 10-year closing low on concerns over the US-led military strikes on Afghanistan.

BOMBAY: Stocks on the Bombay Stock Exchange (BSE) closed 3.6 per cent higher on institutional purchases of blue chips such as Hindustan Lever and Infosys. The benchmark 30-share BSE sensitive index rose 102.18 points to close at 2,896.60.

BANGKOK: Thai share prices made marginal gains with rises in property stocks offsetting losses in energy counters.

The Stock Exchange of Thailand (SET) composite index rose 0.12 points to 286.72 while the blue chip SET 50 index slipped 0.05 points to 18.74.

JAKARTA: Indonesian shares closed marginally lower after reports police detonated a suspected bomb near the British embassy, and as Muslim groups continued to demonstrate against the US-led attacks on Afghanistan. The Jakarta Stock Exchange composite index closed down 1.5 points at 368.297.

3rd branch of Jamuna Bank opens

STAR BUSINESS REPORT

The third branch of Jamuna Bank Limited was inaugurated yesterday at Moulvibazar in the city.

M A Khyer, Chairman of the bank, Vice Chairman Arifur Rahman, directors and local elite were present on the occasion.

Solaiman Khan Majlish, Managing Director of the bank, welcomed the guests and exchanged pleasantries with them.

On the first day of the operation of the branch a large number of clients opened their accounts, said a press release.

On the occasion, a milad mahfil was also held.

Global forex market volumes decline for first time: BIS

AFP, Basel, Switzerland

The Bank for International Settlements (BIS) on Tuesday reported a decline in foreign exchange market activity over the past three years, the first time it has registered a fall since it started recording volumes in 1989.

"The introduction of the euro, the growing share of electronic broking in the spot interbank market and consolidation in the banking industry appear to have been the main factors behind this fall in foreign exchange market turnover," BIS said in a statement.

In its latest triennial survey of foreign exchange market activity, which was released on Tuesday, BIS estimated that the turnover in traditional foreign exchange markets was 1.210 trillion dollars (1.317 trillion euros) in April 2001, compared to 1.490 trillion dollars (1.622 trillion euros) in April 1998, a decline of 19 per cent.

A BIS official said the decline was about 13.5 per cent with constant exchange rates.

However, daily turnover on exchange markets remained above 1995 levels and has doubled since 1989, when BIS first asked central banks and national regulators to take part in the global survey.

The decline was sharpest in spot markets, where average daily turnover fell from 568 billion to 387 billion dollars (618.5 billion to 421.4 billion euros) over three years, and the BIS said it was a sign that electronic broking was edging out dealers on the marketplace.

"The use of electronic brokers implies that foreign exchange dealers generally need to trade less actively between themselves," it added.

It also found evidence that hedge funds were playing a smaller role in foreign exchange markets.

The most traded currency pairing was the dollar-euro, capturing about 30 per cent of daily volume, followed by dollar-yen and dollar-pound exchanges.

But trading in local currencies in emerging markets also rose by 1.4 per cent since the last survey, to 4.5 per cent of world volume in April 2001.

Despite the tendency among some commercial banks in other European countries to move business to London, BIS said the trend was offset by moves by other banks to concentrate business in their home countries, and Britain's share of total currency trading was little changed over 1998.

Financial Stability Forum to hold first Asia-Pacific regional meeting

AFP, Basel, Switzerland

The Financial Stability Forum (FSF) will hold its first regional meeting in the Asia-Pacific area later this month to examine how the region's financial systems are responding to the global economic slowdown.

The closed-door meeting will take place in Tokyo on October 18 and 19 with all FSF members from the region -- Australia, Hong Kong, Japan and Singapore -- represented, a press release said on Wednesday.

China, India, Indonesia, Korea, Malaysia, New Zealand, Philippines and Thailand, which are non-FSF members, will also be represented by senior delegates from their finance ministry, central bank and/or financial regulatory or supervisory authority, it said.

Some FSF members from outside the region will also take part.

"The meeting will review how regional financial systems and markets are responding to the world economic slowdown and weakening financial markets at the current juncture," the FSF release said.

"It will also discuss other issues relevant to financial stability, including how to further enhance the resilience of financial systems in the region to financial shocks," it added.

The FSF was set up in 1999 to promote financial stability through the exchange of information and international cooperation in financial market supervision and surveillance.



PHOTO: STAR

Chairman of the Jamuna Bank M A Khyer is seen, among others, at a milad mahfil organised on the occasion of the inauguration of the third branch of the bank at Moulvi Bazar in the city yesterday.