S'pore WTO meet narrows crucial differences

Doha under review as November mininisterial meet venue

AFP, *Singapore*

The World Trade Organisation moved to the fringes of securing an agenda for a new global trade round Sunday, after a meeting of 21 delegates narrowed crucial differences and agreed on a subtle change of focus.

But less clear was the venue for the full ministerial meeting in November, with Singapore and a number of undisclosed countries put on standby if the global security situation meant the talks were not held in Doha.

Compromises reached at the weekend meeting meant the document to be presented at next month's full ministerial meeting was "85-90 per cent" there, Singapore Trade Minister George Yeo said.

The agreements included dropping reference to a "new round," which has been the WTO's focal point since the collapse of the last full ministerial meeting in Seattle in 1999, and referring instead to "the new development agenda".

"In order to signal a different historical era and a different set of priorities," Yeo said.

US Trade Representative Robert Zoellick said the aim of the meeting was to move further towards the launch of negotiations "and I believe we achieved that."

But concerns were expressed about meeting in Doha, the capital of Qatar a moderate Muslim country which is not far from Afghanistan -- the focus of US-led anti-terrorist action.

"Singapore and a number of other countries have been sounded out in an informal way whether we could host (the meeting) in an emergency," Yeo said.

He added the September 11 terrorist attacks in the United States had increased the determination to have the November 9-13 WTO talks succeed.

"Because of September 11, because of the challenge to the civilised global system we were galvanised to work even harder and in a more determined way to see through this important enterprises," he said.

Even on the thorniest issues of agriculture and the environment, the general sentiment was that a draft document for the November ministerial conference presented a solid base to work from, he said.

"We have whittled down the issues," Yeo said.

However, Indian Minister of Commerce and Industry Murasoli Maran said that despite convergence on some issues, the Singapore meeting "was not to our expectations".

"We want a lot of improvements," he told a press briefing.

"Whatever happens ... this is an informal meeting of about 20 or 21 countries. So more than 100 countries are out ... so we want more transparency, more democracy, more consultations."

Maran also said it was "inappropriate" to use the phrase "new development agenda".

"Is investment a development issue? Is competition a development issue?" he said.

Singapore Trade Minister Yeo said there are still some phrases on agriculture in the draft document which countries were uncomfortable with.

But he said that "by and large we have moved away from theological extreme positions and we are now talking prospects."

Countries are aware "agriculture has to be traded off against other items on the agenda," he added.

The seven-page paper, drawn up by the WTO's ruling general council chairman Stuart Harbinson "was 70-75 per cent there" before the Singapore talks, and agreements reached over the weekend advanced the document to 85-90 per cent, Yeo said.

Attempting to put a new face on the negotiations, Yeo said "the ministers were seized by the concerns of developing countries."

"We are trying to address their particular concerns," Zoellick said.

"The ministers agreed on the use of the Harbinson text as a basis for the ministerial declaration. We are very delighted at this development."

European Trade Commissioner Pascal Lamy said the atmosphere in the lead up to the next ministerial meeting was completely different to Seattle two years ago.

"The current process is night and day compared with the pre-Seattle process," Lamy told reporters at the end of the meeting.

"At that time, it was seen as exclusive. This time it is inclusive. It was opaque, now it's transparent. It was seen as a zero sum game, now it is seen as a positive sum game.

Trade representatives invited by the WTO who attended the Singapore meeting were from Australia, Brazil, Canada, Colombia, the European Union, Egypt, Gabon, Hong Kong, India, Indonesia, Jamaica, Japan, Mexico, Pakistan, Qatar, Singapore, South Africa, South Korea, Switzerland, Tanzania and the United States.

Biggest ME IT fair begins in Dubai

Consumer confidence seen high

AFP, *Dubai*

The Middle East's largest IT fair opened in the Gulf emirate of Dubai on Sunday with officials dismissing fears of a loss in consumer confidence in the region following last month's US terror attacks.

"It is business as usual," insisted Sheikha Lubna al-Qassimi, head of an e-government committee in the Gulf emirate of Dubai.

"There are thousands pre-registered to attend GITEX Dubai 2001 and I am confident the exhibition will be one of the most successful," she told AFP.

Organisers said 40,000 people had pre-registered on-line alone for the October 14-18 exhibition, a showcase for more than 600 exhibitors from around 1,500 Information Technology-related companies and 35 countries.

"Despite the current crisis, the enthusiastic support and high profile participation from major US and European companies, has given an added boost to the exhibition," said organiser Ibrahim al-Hashemi.

The deadly terror attacks in the United States dealt a staggering blow to an already fragile world economy. Consumer sentiment was shaken, investment shrivelled and key sectors such as civil aviation were devastated.

But an official from Dubai Internet City, dubbed the world's first free trade zone for e-business, said it was too early to judge what the long-term effects would be for the Middle East.

PHOTO: IBBL

Mohammad Younus, Chairman, Executive Committee of Islami Bank Bangladesh Limited (IBBL), addresses a day-long conference of the bank's branches under Dhaka North Zone on Saturday at the Conference Room of Islami Bank Tower.

Philippines wants to regain key sugar producer status

AFP, *Bacolod, Philippines*

Buoyed by new tariff concessions and increased production through new technology, the Philippines wants to regain its lost status as a key sugar producer, industry officials say.

In the central island of Negros, the country's sugar bowl, planters are excited by an output turnaround in the current crop year and news that high tariffs protecting the industry will be maintained.

The upbeat mood was in stark contrast to the gloom in the mid-1980's when sugar prices collapsed and forced thousands of families in Negros into poverty.

The Confederation of Sugar Producers Association of the Philippines said production should hit 1.9 million tonnes this year, with farmers expected to break a two-year output slump.

Last year and in 1999, raw sugar production levels were around 1.6 million tonnes.

"Our immediate priority is being self sufficient and able to meet our US quota which has declined to about 150,000 tonnes," Bernardo Trebol, the confederation's president, told AFP in an interview in the Negros' capital Bacolod.

The Philippines was a leading sugar exporter until the mid-1980's when prices collapsed. At the height of the sugar depression, one survey showed 73 per cent of children under 14 years of age in Negros suffering from malnutrition.

"The average sugar farmer in Negros is now making money -- not much but at least they are making -- and I think is happier than many other commodity farmers," Trebol said.

"Once we were labelled a sunset industry but we are beginning to pick up now," said Herman Santos, the sugar confederation's manager for Negros-Panay, a key producing area.

In the industry's early days, most of the sugar was exported to the United States under a quota system but Washington had reduced quotas dramatically to cater to its own production needs.

The Philippines now imports sugar from Brazil, Australia and Thailand to make up for the small deficit in domestic consumption totalling more than two million tonnes.

But Trebol said with potential to expand sugar cane cultivation on larger Mindanao island in the south where a Muslim separatist campaign is easing, Philippine production could increase in coming years.

Officials said that the jump in production this year was largely due to high-yielding varieties of sugar cane and higher prices. Millers were also able to recover more sugar from the canes through better technology.

"Prices of sugar have been pretty depressed over the last four years and it is only now that it has more or less stabilised at the level of 850 to 900 pesos (16.73 to 17.71 dollars) per 50-kilogram bag," said Bobby Jereza, vice-chairman of the APP-Negros Cooperative for sugar farmers.

"We will be able to make a little profit out of it now," he said.

Referring to the high-yielding varieties, Jereza said: "Hopefully with the same amount of money we put in, we will be be able to achieve a bigger yield."

As production increased, the Philippines has lobbied other Southeast Asian governments to maintain its tariffs against sugar imports, largely from Thailand.

Southeast Asia is preparing to set up set up a free trade area by 2003.

Trade and Industry Secretary Manuel Roxas said the other Association of Southeast Asian (ASEAN) states had agreed in principle to allow the Philippines to delay lifting its sugar tariff.

"It will allow the Philippines to maintain high tariffs on sugar for several more years, before phasing it down to a maximum of five per cent in 2010," he said.

Manila plans bank provision for restructured loans

REUTERS, *Manila*

The Philippine central bank said it plans to require banks to set aside an amount equivalent to 2.5 per cent of all their so-called restructured loans next year.

The provision, which was meant to safeguard the health of the local banking industry, will be increased up to five per cent in 2003, central bank deputy governor Alberto Reyes told reporters on Saturday.

He said the new policy would be formally issued in a new circular to banks to be issued by the central bank in the next two weeks.

Restructured loans refer to loans in which the original payment and maturity terms were changed because of unforeseen circumstances, including business difficulties suffered by borrowers.

Reyes said banks have to set aside provisions to cover part of these loans because of risks of default by borrowers.

Reyes said banks can ask for an exemption for this proposed new requirement if they increase their capital base. He did not say how much each bank should raise its capital from the present level.

IBBL holds Dhaka North zone managers' confce

A day-long quarterly branch managers' conference of Dhaka North zone of Islami Bank Bangladesh limited (IBBL) was held on Saturday in the city, says a press release.

Muhammad Younus , Chairman of Executive Committee of the bank was present in the inaugural session as chief guest. Presided over by Abdur Raquib, Executive President of the bank, the function was addressed, among others, by Nasiruddin Ahmed, Deputy Executive President of Operation Wing of the bank.

The function was attended, among others, by top executives and branch managers including Md. Velayet Hossain, Deputy Executive President, Md. Nurul Amin, Executive Vice President, Md. Shamsul Haque, Senior Vice President and Incharge, Dhaka North Zone and ATM Saleh, Senior Vice President of Dhaka South Zone.

Mohammad Younus, in his speech, called upon the officers and employees of the bank to work hard to achieve the prime goal of Islamic banking. He also urged them to discharge duties with sincerity, honesty and confidence.

Mr. Abdur Raquib, in his speech urged the managers and officials of the bank to mobilise cost-free deposit, quality ancillary business and increase non-investment income.

SHIPPING

Weekly Roundup

Gold goes down as currency, equity markets stabilise

AFP, *London*

Gold prices fell as investors pulled out of the safe-haven metal because of the stronger dollar and more buoyant equity markets.

By Friday afternoon, an ounce of gold stood at 281.80 dollars, from 291.20 dollars a week earlier.

Analysts noted that as confidence returned to equity markets and as currency markets stabilised, the need for investors to play safe in an asset such as gold was dwindling, despite the US-led military attacks on Afghanistan.

"The bombing has gone on almost exactly as most people would have expected," noted Kamal Naqvi, a metals expert at Macquarie bank in London.

"You've seen the equity markets being firmer, you've seen currency markets quite stable and the dollar strengthening," he said.

But he said there was enough uncertainty for gold to remain in the back of investors' minds.

"There's still massive uncertainty about how the military development will unfold, not just bombing but how they're going to put in ground troops, whether or not there will be an escalation of tension throughout the Islamic world," Naqvi said.

"We would expect consolidation around these levels and still trading in a higher range because the basic condition underlying the strong gold price still holds," he added.

Silver: Silver slipped back in gold's wake, with continuing concerns about industrial demand for the metal further nagging at its value.

An ounce of silver was going for 4.42 dollars on Friday afternoon, from 4.6450 dollars the previous week.

Palladium and Platinum: Pared. The platinum group metals (PGMs) moved in a tight range close to recent lows, as global demand concerns kept upside to a minimum.

By Friday, palladium was quoted at 350 dollars an ounce from 348 dollars the previous week.

Platinum prices 438 dollars an ounce from 442 dollars a week earlier.

"There are still worries about a slowdown in economic growth and therefore about use of palladium in both its high-tech applications in mobile telephones and its use in auto-catalysts," said Charles Kernot, a metals expert with BNP Paribas bank.