

APEC calls for launching new world trade talks at Nov meet

Leaders pledge to expedite regional free trade

AFP, Shanghai

Asia-Pacific leaders Sunday urged the launch of a new round of World Trade Organisation (WTO) negotiations and pledged to accelerate progress towards achieving free trade within their own region, despite sagging economic growth.

"We are determined to reverse the current economic downturn and maintain public confidence at a time of uncertainty by fighting protectionism and committing to the launch of the new WTO round at the upcoming WTO ministerial conference," the Pacific Rim leaders said in their declaration.

"We agree that once launched, the new round should be concluded expeditiously," the Asia-Pacific Economic Cooperation (APEC) forum leaders said.

At the end of a two-day summit here, they made no mention of the venue for next month's WTO conference, scheduled for Doha in Qatar.

There has been talk on the sidelines of the forum over the last week about the possibility of moving

the WTO meeting from the Middle East due to security fears in the aftermath of last month's terror attacks on the US and amid American-led strikes against Afghanistan.

The leaders called for a "balanced and sufficiently broad-based" WTO agenda which was achievable and took account of the interests of developing nations.

US President George W. Bush and the other leaders, including those of Japan, China and Russia, affirmed their "unwavering confidence in the medium and long-term growth prospects for the Asian Pacific region since the fundamentals of the region remain sound".

"As reforms and restructuring following the 1997-1998 financial crisis take effect, many emerging economies are now in a much stronger position to cushion themselves against the impact of the economic slowdown and unexpected shocks."

They pledged to adopt appropriate policies to increase economic growth to encourage an early pick-

up in economic activity.

The declaration reaffirmed APEC's target of free trade among developed members by 2010 and among developing economies 10 years later.

The targets, known as the Bogor Goals after the Indonesian resort where they were announced by APEC leaders in 1994, needed to reflect changes brought about by globalisation and the new economy.

"While trade liberalisation is at the core of the APEC agenda, leaders also agree that the Bogor goals need to be placed within the context of an updated and expanded vision..." the leaders said.

Many of the 21 APEC member economies -- which represent 44 per cent of the world economy -- have plunged into or are on the verge of recession because of the US-led global slump.

Against such a gloomy backdrop, analysts have warned that stricken APEC economies could derail the Bogor Goals by renegeing on their commitments to tear down

tariff barriers.

The leaders launched a Shanghai Accord which "gives voice to our common resolve to fulfil our commitments and stands as a template laying out some key steps to be taken to achieve our goals and objectives".

"This will have a profound and far reaching effect on the development of APEC and will facilitate sustained economic development in the Asia Pacific region," Chinese president Jiang Zemin said at a press conference at the end of the summit.

Under the Shanghai Accord, APEC economies will hold a mid-term stock-take of the progress towards the Bogor goals in 2005.

APEC economies have been implementing their trade and investment liberalisation goals through individual and collective action plans, which are subject to annual peer reviews.

The individual action plans in particular have been criticised for lacking credibility but the accord said these would be strengthened.

WTO chief in Qatar for talks on confce

AFP, Doha

World Trade Organization director general Mike Moore led talks Sunday in Doha to prepare for a key WTO conference due to be held here November 9-13, sources close to the organisers said.

"He began talks in the morning with the Qatari authorities on the preparations for the WTO conference," one source told AFP.

Moore turned up Saturday after a three-member WTO delegation had arrived in Qatar on Friday amid reports that the venue will be switched.

"The objective of the visit is to supervise preparations for the WTO ministerial conference in Doha," WTO Director of Administrative Services Jacques Emile Chabert told AFP on Saturday.

Asked about the possibility of a change of venue for security reasons due to the world turmoil since the September 11 terror attacks in the United States, Chabert said: "I have instructions to continue the preparations."

WTO director-general designate

Supachai Panitchpakdi on Saturday said the body should confirm Qatar as host of its ministerial meeting next month.

"We have to make sure we go ahead and hold the meeting in Qatar. We should not have second thoughts," Supachai said on the sidelines of annual talks of the Asia-Pacific Economic Cooperation (APEC) forum.

Qatar's envoy to the United Nations, Nasser bin Abdul Aziz Al-Nasr, insisted Friday the conference should be held in Doha, as "Qatar is among the safest countries in the world."

"Qatar has also acquired great experience in the organization of international conferences," said Nasr, warning that transfer of the meeting would constitute "a big victory for the terrorists," according to the state news agency QNA.

The European Union and the United States said this week the choice of Qatar as host was under review because of security concerns. Singapore and Geneva were being considered as alternative venues.

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PHOTO: SYNGENTA

Picture shows (from left) Sarwar Ahmed, Managing Director of Syngenta Bangladesh Limited, Muslehuddin Ahmed, Director General of the Department of Agriculture Extension (DAE), Md Abul Kashem, Additional Director of DAE, Comilla Region, Syed Sadek Md Ali, Operation Director of Syngenta, Abu Sufian, Divisional Sales Manager of Syngenta and JC Saha Chowdhury, Technical Director of Syngenta, attending the 3rd field-day farmers' meeting organised by Syngenta Bangladesh Limited at the IPM centre at Chaudagram in Comilla on Friday under its Integrated Pest Management (IPM) programme.

Mexico to hosts next APEC summit

AFP, Shanghai

Mexico wants to forge an effective bridge between Asia and the West to expand global trade when it hosts next year's APEC summit, President Vicente Fox said.

"Today, Mexico has the opportunity of becoming the axis of commercial exchange between Asia and the West," Fox said in a document distributed Sunday at the end of the Asia-Pacific Economic Cooperation (APEC) summit in Shanghai.

The 2002 APEC meetings will be the first in Latin America since the bloc was launched 12 years ago.

"Due to our geographical location, the size and solidity of our economy, the free trade agreements we maintain, and our will of playing a more active role in international relations in this new millennium, Mexico now has a privileged position to become a link and bridge between the main markets of Europe, North and South America and Pacific-Asia," Fox said.

Microsoft Windows XP may spark revival in high-tech industry

AFP, San Francisco

Microsoft launches its Windows XP, a next-generation operating system for personal computers Thursday, amid hopes that it can spark a revival in the ailing high-tech industry.

Microsoft contends the new system is the fruit of unprecedented technological innovations that will transform the experience of the PC, but critics say it will merely tighten the company's stranglehold on the world's computers.

Microsoft and its industry partners -- including Intel, which recently launched its new Pentium 4 chip -- plan to spend one billion dollars on the launch in an effort to bring the computer industry out of its worst-ever slump.

The launch of XP (a play on the word "experience") will also herald Microsoft's first major product campaign since its bruising, still ongoing

US antitrust battle. It also faces the possibility of stiff fines from a parallel probe in the European Union.

Microsoft, which was found last year by a federal court to have abused its monopoly in the Windows operating system, has already modified several XP features in an effort to mollify its critics while the case is pending before a new judge.

For instance, Microsoft allowed computer makers to reconfigure the valuable "desktop" space to put offerings from Microsoft competitors -- such as America Online and Real Networks -- on their machines.

But critics say the software titan is excessively using XP to steer customers away from rival software to Microsoft products for items such as music, digital photography and instant messaging -- further squeezing competitors, essentially the same thing that prompted the company's antitrust woes.

Most Japanese oppose using public fund to save banks: Poll

AFP, Tokyo

About 60 per cent of Japanese are opposed to using taxpayers' money to stabilise and save the country's ailing banking system, according to an opinion poll published Saturday.

Japanese banks are accelerating bad loan disposals but many have warned of severe losses as a result, triggering speculation Tokyo may inject public funds into the lenders to prevent their collapse.

Some government and ruling party leaders also propose public funds should cover any loss incurred

by the Resolution and Collection Corp. (RCC), a state-run debt purchasing body.

But 60.2 per cent of adults interviewed by the Jiji Press news agency said they were opposed to such ideas, with 19.9 per cent approving of them.

"It has reflected persistent mistrust among depositors in bank management," Jiji said.

Jiji interviewed 2,000 people aged 20 and older between October 11 and 14. Almost 70 per cent -- 69.8 per cent -- responded with valid answers, the news agency said.

Under a reform plan by Prime Minister Junichiro Koizumi, major Japanese banks must reduce bad loans dating to the "bubble economy" of the late 1980s on their balance sheets to normal levels, where they can be covered by operating profit, in two to three years.

Total bad loans held by Japanese financial institutions totalled 43.4 trillion yen at the end of March, according to the government's Financial Services Agency.

Koizumi has vowed to reduce bad loans even if such steps lead to more job cuts and bankruptcies.

Foundation course for SIBL officers begins

A ten-day foundation training course for officers and assistant officers of Social Investment Bank Ltd (SIBL) began in the city on Saturday, says a press release.

The course organised by the training institute of the bank was inaugurated by Golam Mustafa, Managing Director of the bank.

The Managing Director, in his speech, stressed the need for training to become good bankers.

Deputy Managing Director of the bank, among others, was also present on the occasion.



PHOTO: SIBL

(From left to right) Abdul Matin Bhuiyan, EVP, M Nazrul Islam, Deputy Managing Director, and Golam Mustafa, Managing Director of the bank, are seen at the inaugural function of a foundation training course for officers and assistant officers of the bank, held in the city Saturday.

Weekly Currency Roundup

Asian units trade in narrow range

AFP, Hong Kong

Most Asian currencies moved little over the past week with activity stifled by uncertainty created by the ongoing US-led strikes against Afghanistan, the US economy and the global anthrax scare.

Japanese Yen: The yen traded in the narrow range during the week as traders remained uncertain over the outcome of the US-led war on terrorism and threats of bioterror amid anthrax infections in the United States.

The Japanese currency was quoted at 121.17-20 against the dollar late Friday, compared with 121.32-35 yen a week earlier.

"There is a lot of material out there, but the focus is on the terrorist attacks and worries about the prospect for a US economic recovery," said Yasuji Yamanaka, foreign exchange manager at Nikko Trust and Banking.

"We worry about where the safest place to put our money is ... that situation is likely to continue," Yamanaka said, adding traders were reluctant to bet strongly on any of the three major currencies -- the dollar, euro or yen.

HSBC foreign exchange manager Takeda Uda said: "Nobody knows which direction to go. It is difficult to take the initiative right now."

"I don't know how long this (the fresh anthrax outbreaks) will go on, maybe until the end of the year, who

knows what will happen," he said. "It makes the market more volatile and choppy. That makes us nervous."

Japanese State Minister for Economic and Fiscal Policy Heizo Takenaka said Friday the world's two largest economies -- Japan and the United States -- would likely post negative growth in the next two quarters, adding the situation was severe after last month's terror attacks on New York and Washington.

However, Standard and Poor's MMS managing analyst Hideki Naito said traders took very little notice of comments by politicians.

"Traders are not seriously concerned with Japan's fundamentals," said Naito. "Their focus is on developments in Afghanistan and bioterrorism."

Australian Dollar: The dollar ended local trading for the week at 50.63 US cents, from 50.15 US cents the previous week, prompting National Australia Bank currency strategist Michael Jansen to say that an absence of direction meant the Aussie could weaken in the vacuum.

"If there is no news to speak of, then its natural proclivity is to trend lower. In the absence of speculative buyers there is nothing to support the unit," he said.

Those tipping a movement higher said tourism receipts and exports tend to track higher as the year draws to a close, dragging the dollar along with them.

"On average over the last five years the Australian dollar has gained almost 4.5 US cents near Christmas, traditionally over the December/January period," CommSec chief economist Craig James said.

"There are no certainties when it comes to forecasting currencies, but participants should be mindful of upside risks for the Aussie in coming months."

New Zealand Dollar: New Zealand's kiwi closed Friday worth 41.56 US cents against last Friday's 41.47 US as sellers came out in force ahead of a long holiday week-end.

"We have seen a bit of a sell-off in both kiwi and aussie during the day," Bank of New Zealand forex manager Greg Ball said.

"It really started in late New York trading. It appeared that there were a couple of US names waiting to access liquidity when the Wellington market opened to sell both kiwi and aussie. That's where the real moves happened."

Hong Kong Dollar: The Hong Kong dollar closed at 7.7996-8004 on the greenback, barely changed from the previous week's 7.7995-7.8003.

Singapore Dollar: In late trading Friday, the US dollar traded at 1.8204 Singapore dollars from 1.8211 Singapore dollars the previous week.

Indonesian Rupiah: The rupiah closed marginally weaker on Friday at 10,075-10,080 against the dollar compared to the previous week's close of 9,980-10,000.

Philippine Peso: The Philippine peso recovered to 51.76 pesos to the dollar on Friday from 51.80 to the dollar on October 12.

South Korean Won: South Korea's won slightly weakened from 1,299.30 won a week earlier to 1,302.20 won Friday after moving within a tight range in the absence of trading incentives.

Dealers said the won was expected to move within a limited range around 1,300 won to the greenback in the coming week, barring any considerable fluctuations in overseas markets and the domestic stock market.

Taiwan Dollar: The Taiwan dollar rose slightly over the week to close at 34.543 against the greenback Friday, from 34.550 the previous week, on the back of a weaker US dollar, dealers said.

Thai Baht: The Thai baht remained stable against the dollar over the week thanks to support from exporters selling off the dollar in thin trading, dealers said.

The Thai unit closed Friday at 44.71-74 baht to one dollar compared to previous week's close of 44.71-73.

Terror attacks devastate US company profits

AFP, Washington

US firms are reporting massive declines in profit half-way through a grim third-quarter earnings season as the terrorist attacks wreak financial devastation.

"I think we are definitely in for one of the worst if not the worst earnings downturns since at least the end of World War II," said First Call group's research director, Charles Hill.

So far 224 companies, or 45 per cent of the Standard and Poor's 500 firms, have reported profits for the July-September period.

Hill had been expecting profits to fall even before September 11 when 19 terrorists hijacked four planes, destroyed the World Trade Center, damaged the Pentagon and killed more than 5,000 people.

His forecast had deteriorated, however.

Operating profits for the companies in the Standard and Poor's 500 were expected to slump 22 per cent in the third quarter, instead of a 17-per cent drop earlier expected.

In the fourth quarter, the profits were likely to plunge another 22 per cent, far worse than the pre-attack forecast for a drop of 12 per cent, he said.

Hill said similar bad periods in the past included a 1951-52 downturn that was longer but not so deep, and declines in 1958 and 1991 that were deeper but no so extended.

"In terms of both length and depth this is maybe the worst one, the analyst said.

is not going to be as good as it was before the attacks."

Industry analysts polled by First Call said they expected profits to climb 17 per cent next year as a massive fiscal stimulus and interest rate cuts began to kick in.

Hill said the 2002 figure was likely to be closer to a rise of 5.5 per cent, however.

Among the biggest victims so far: -- World number one car maker General Motors lost 368 million dollars in the July-September quarter and said the outlook for the rest of the year and 2002 was uncertain.

-- JP Morgan Chase said its third quarter net profit slumped 67.9 per cent from a year earlier due to the terror attacks and weak markets.

-- Microsoft reported a 41.8-per cent plunge in net profit in the July-September quarter due to bad investments, warning of a cloudily outlook ahead.

-- Boeing reported a seven-per cent rise in third-quarter net profit but warned plane deliveries will plunge for years after the attacks, which forced it to cut 20,000-30,000 jobs.

-- Airlines, expected to take the heaviest pounding, have postponed releasing their results as they rewrite figures to account for 15-billion-dollar government rescue package.

But United Airlines, the world's number two carrier, notified the US Securities and Exchange Commission Thursday it could go bankrupt if it kept bleeding cash at its current rate.