

Amended WTO trade text ready US hopes recovery early next year

AFP, Doha
The head of the WTO general council is later Monday to present an amended draft declaration to WTO ministers who are meeting here to forge an agenda for new trade liberalisation talks, a European source said.

The amended text drawn up by Hong Kong Ambassador Stuart Harbinson would incorporate progress on several difficult issues reported to have been made here in overnight negotiations, he said.

The revised World Trade Organisation draft would include new wording on a controversial patent section dealing with access to generic medicines by poor countries battling public health crises.

A senior US trade official said ministers were close to agreeing a new interpretation of the WTO patent protection agreement -- trade related aspects of intellectual property rights (TRIPS).

A European source close to the negotiations confirmed that WTO ministers meeting here early

Monday had agreed in principle on a compromise over access to cheaper drugs for developing countries.

It would also re-word text on the environment, where the European Union has campaigned for fresh negotiations on how trade impacts the environment, the source said.

The United States, Australia and some developing countries argue that new talks on the environment were unnecessary because WTO agreements already contain sufficient provisions on the subject.

Ministers from the 142-member body have gathered in the Qatari capital in a bid to agree an agenda for a new series of negotiations to bring down barriers to trade.

The original draft declaration was drawn up by Harbinson and WTO chief Mike Moore in Geneva ahead of the five-day ministerial conference in Doha.

It urged an existing WTO committee to continue its work, including identifying any need to clarify WTO rules. But the committee's powers are limited to making recommendations on changes.

AFP, Paris

The US economy will be weak in the fourth quarter but a recovery is expected in the first quarter of next year, White House chief economist Glenn Hubbard said here on Monday.

"Many indicators point to a relatively weak start to the fourth quarter... the fourth quarter will be weak", Hubbard said at a news briefing.

Output in the third and fourth quarters would be the hardest hit by the September 11 attacks in New York and Washington but it was too early to say how weak the fourth quarter would be, he said.

The US economy contracted by 0.4 per cent on a 12-month basis in the third quarter.

Howard said he shared the view of private sector economists that there would be "modest but positive" growth in the first quarter, with the recovery accelerating later

in 2002.

Consumer confidence was expected to rebound quite quickly, despite consumer expectations of a long campaign against terrorism, he said.

But Hubbard said that the first-quarter recovery depended on congressional approval for President Bush's fiscal stimulus package which was expected to add 0.5 per cent to growth of gross domestic product next year.

He said he hoped the package would be approved by Thanksgiving (Nov 22 this year) and said the idea of a delay of a month or two "is not good".

Hubbard said the effects of this year's easing of Federal Reserve monetary policy would kick in at the end of this year or early next year, and dismissed suggestions that interest rate cuts were losing their effectiveness.

"Just wait and see", he said.

Japanese banks in worst than in 1997-98 crisis: Analysts

REUTERS, Tokyo

Four years after the first failure of a top bank rocked Japan's financial system, the country's banks are back in crisis, labouring under a mountain of bad debt, with official attempts to solve the problem looking half-hearted.

In fact, analysts say, things may be worse now than in the 1997/98 crisis, when Japan abandoned its long-standing protection of the banking sector, let Hokkaido Takushoku fail and nationalised two long-term credit banks.

"The situation may be worse than before because banks didn't improve their quality despite steps taken after the 1997/98 crisis," says Yui Nakamura, general manager in investment strategy at Shinko Investment Trust Management.

"Now, there is concern banks may not survive on their own."

The financial system may not be at risk this time round, analysts say, but the legal framework put in place over the past four years has failed to tackle the roots of the banking problem.

The last time round, the crisis was characterised by a serious lack of funds, rising borrowing costs and a string of major failures as banks were hit by a run on deposits, plus an absence of measures to deal with a financial failure.

The government created a safety net to protect depositors in the event of failures and injected public funds to strengthen banks' capital while banks themselves took defensive measures by consolidating, halving the number of

top banks to eight.

The Bank of Japan is maintaining a near-zero interest rate policy and the markets are awash with money.

Yet bank's financial health has weakened under the weight of problem loans. Banks blame the deteriorating economy for the lack of progress in dealing with these debts, forgetting that their over-lending was one major cause of the asset bubble and deflation was the result when it burst.

At the end of March 2001, top banks' "core" bad debts -- outstanding loans to borrowers at risk of bankruptcy or already bankrupt -- were about 18 trillion yen (\$149.6 billion). Some say the banks' problem loans reach as high as 150 trillion yen.

HK to face stiff competition as China joins WTO

AFP, Hong Kong

The free-wheeling capitalist free-trade hub of Hong Kong is expected to face stiff competition from China once the mainland joins the World Trade Organization (WTO) in 30 days' time, analysts say.

Government officials, however, in trying to calm fears Hong Kong would lose its traditional role of a middleman following China's accession to the WTO, are confident the territory will benefit.

Analysts expect Hong Kong to face strong competition despite the fact China's entry to the global trade body will provide tremendous opportunities to tap the lucrative mainland market.

"Hong Kong is set to face a stiff competition, but it will pressure Hong Kong to do the best," Paul Tang, economist at Bank of East Asia, said Monday.

"It is inevitable. Hong Kong has to face the big challenges ahead," said Tang.

"Hong Kong's traditional role as a middleman will be squeezed," he said as mainland could directly trade with foreign companies.

Joseph Cheng, a political commentator, said he believed Hong Kong could still "keep up with innovation and productivity" in order to have an equal share of the "big China's pie."

"We have perfect freedom of speech and rules of law that could enable our service industry to carry on," he said.



PHOTO: PRIME BANK

Aminul Haque, Chairman of Prime Bank, hands over a souvenir to Hu Qianwan, Chinese Ambassador in Dhaka, at a dinner hosted by the bank in honour of members of the Chinese business community in Bangladesh on Thursday at Dhaka Club. Kazi Abdul Mazid, Managing Director of the bank, is also seen in the picture.

Prime Bank hosts dinner for Chinese business community

Prime Bank Limited hosted a dinner in honour of the members of the Chinese business community in Bangladesh on Thursday, says a press release.

The dinner was attended by Chinese Ambassador in Dhaka Hu Qianwan, Madam Hu, officials from Chinese Embassy, members of Chinese business community, Executive Committee members of Dhaka Club and directors and executives of Prime Bank Limited.

Qazi Saleemul Haq, Member of the Parliament and Chairman of GQ Group of Industries, also attended the dinner.

At the dinner, M Aminul Haque, Chairman of Prime Bank Limited, invited Chinese companies to use the services of the bank. He said the bank's capital adequacy is over 15 per cent and its classified loans is as low as 1.59 per cent, making it as one of the best performing banks in Bangladesh. It has been rated as one of the best 20 banks in Asia in terms of performance, he disclosed.

Kazi Abdul Mazid, Managing Director of Prime Bank Limited, appreciated the mutual cooperation between the bank and the Chinese companies. He said more services and products such as tele banking, debit card and ATMs are in the pipeline.

President of Bangladesh-China People's Friendship Association Anwarul Amin, President of Dhaka Club Ltd Towhid Samad and Ambassador Hu Qianwan also spoke on the occasion.

Picard expands operations in Bangladesh

Picard Bangladesh Limited, a German-Bangladesh joint venture company in the field of fashionable leather goods has started production in its own premises in the country.

Thomas Picard, CEO of Picard Lederwaren GmbH Co and KG, and Md Saiful Islam, CEO of Bangladesh unit, inaugurated the plant at Ziravo in Savar recently, says a press release.

Picard Bangladesh started its operation in the country from 1996 though the principal office in Germany.

Picard has another three units in Hong Kong, China and Tunisia.

During this five years Bangladesh unit expanded more than 800 per cent

BCMA election held

Ahmed Akbar Sobhan Shah Alam, Chairman of Bashundhara Group, has been unanimously re-elected President of Bangladesh Cement Manufacturers Association (BCMA) for the second term.

The election was held at the general meeting of the Association in the city on Sunday, says a press release.

Shamsul Alam, Chairman of Confidence Cement, and Abdul Matlub Ahmed, Chairman of Niloy Cement have also been re-elected First Vice President and Second Vice President respectively.

AKM Muhiuddin has been elected Treasurer.

Members of the Executive Committee elected are: Col (Rtd) Mohd Sheikh Farid, Ramit Budhraj, Martin Schjolberg, Ortiz Santiago and AKM Azizur Rahman Khan.



PHOTO: PICARD

Thomas Picard, CEO of Picard-Germany, and Md Saiful Islam, CEO of Bangladesh Picard, jointly inaugurate the company's own premises at Ziravo in Savar recently.

Singapore promotes shorter working week

AFP, Singapore

The Singapore government began nudging employers towards a shorter working week Monday, in a desperate bid to retain jobs in a severe recession.

Downsizing and laying off staff

seemed to be the common strategy but this was not necessarily the best approach, Manpower Minister Lee Boon Yang said as Singapore faced up to 40,000 retrenchments by the end of next year.

Companies could try a shorter

working week to manage excess labour, he said in the first government nod towards reduced hours after earlier official statements had suggested wage cuts.

"By keeping their factories and offices closed for part of the week or month, employers can reduce operating costs," Lee said.

"Some companies in the manufacturing sector have already implemented this tactic as an interim solution."

An independent survey released last week by Singapore-based researcher Remuneration Data Specialists found four per cent of companies had introduced a shorter working week, compared to 14 per cent which were retrenching staff, 15 per cent downsizing and 37 per cent imposing wage freezes.

The Singapore government has acknowledged rising unemployment could not be avoided in the recession, but argued that retrenchments should not be seen as a natural by-product of the downturn.

"Retrenchment is not the only option to cost cutting," Lee said, adding that if reduced manpower became inevitable then employers should look at wage freezes or cuts.

"I believe it is much better for all employees to have a job at lower pay than for 10 per cent or 20 per cent of their colleagues to be thrown out of their jobs," Lee said.



PHOTO: BCMA

Newly elected Bangladesh Cement Manufacturers Association (BCMA) President Ahmed Akbar Sobhan Shah Alam (middle), First Vice President Shamsul Alam (right) and Second Vice President Abdul Matlub Ahmed (left) are seen.



Mercantile Insurance Company Limited hosts a reception in honour of M K Anwar, Minister for Industries, Prof Md Rezaul Karim, State Minister for Health and Family Welfare, and Mohammad Ali Asghar MP at a city hotel on Friday.

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