

ROK, China attack EU over steel import curbs

REUTERS, Geneva

China and South Korea Thursday accused the European Union of intensifying a global steel crisis by following the United States in imposing special protective tariffs on imported steel products.

The reaction from the two countries followed Japanese expressions of alarm over the EU measures and came as the United States itself indicated it would file a complaint on the action at the World Trade Organisation (WTO).

A letter from China's Foreign Trade Minister Shi Guangsheng to EU Trade Commissioner Pascal Lamy voiced "deep concern", saying the latest tariffs -- described in Brussels as temporary -- would seriously harm Chinese steel producers.

And a statement from the South Korean government, issued by its mission to the WTO in Geneva, went further, warning that the EU action taken under the WTO Safeguards Agreement could spark "a rapid proliferation of protectionism" around the globe.

The statement, quoting a letter to Lamy from South Korea's Trade Minister Hwang Doo-yun, said the latest tariffs would make it much more difficult to achieve a multilateral agreement to reduce the steel glut distorting the global market.

China, South Korea and Japan have all lined up with the EU in angrily condemning the US tariffs -- up to 30 per cent on a range of steel imports over a period of three years from March 20 -- and challenging them as illegal at the 144-nation WTO.

But trade diplomats said coordination of the drive aimed at getting the US action withdrawn would be more difficult in the wake of the EU move agreed on Wednesday in Brussels. "It is a bit chaotic right now," said one envoy following the case.

"The Europeans were looking pretty good until they did this. Now they've lost a lot of the high ground that they had."

And in a letter to his EU counterpart Carlo Trojan, South Korea's WTO ambassador in Geneva Chung Eui-yong drove that point home. The EU could have set a good example, he said but "regrettably... has instead chosen to follow the US example."

The EU argues that the tariffs, targeted at fewer products than the US measures and set at lower levels, were purely aimed at preventing the market in the 15-nation union being flooded with steel diverted from the United States.

Brussels, under strong pressure from the EU steel industry in the wake of the US move announced by President George W. Bush, also

says there will be no reduction in the amount of steel from various outside sources that came in last year.

Bush himself imposed the tariffs under political pressure to protect the long-ailing US steel industry from what he said was a surge of imports and give it time to restructure to better face competition from foreign products.

He argued that the measures were legal under the WTO Safeguards Agreement. Brussels rejects that but argued on Wednesday that its action was in line with the rules.

The EU, the main victim of the US action, and the three major Asian producers it also has now angered were joined by Australia, Brazil, Malaysia, New Zealand and Norway in condemning Bush's move as protectionist.

They complained that the United States -- which has already lost six out of six cases brought against it in the WTO over the type of "safeguard" measures it applied to steel -- was abusing the WTO dispute settlement system.

That provides for neutral panels to adjudicate in disputes and recommend that a country found breaking WTO open trading rules be told by the WTO to come into line. But the procedure can drag on for up to two years before that point is reached.

Hertz Europe signs deal with Emirates

Hertz Europe Ltd has signed a three-year partnership agreement with Emirates and SriLankan Airlines to provide global car rental to members of the Skywards Frequent Flyer Programme, says a press release.

Skywards members will benefit from this new partnership through collection of 500 Skywards miles on each Hertz car rental, together with access to preferential rates and exclusive promotions. In addition, they will have the option to enroll into Hertz #1 Club Gold programme.

Judith Short, Director of Partnerships for Hertz Europe Ltd said: "We are delighted to be working with Emirates and SriLanka Airlines, and regard this partnership as strategically important for our Middle Eastern network and also on a global platform."

Partnerships Manager, Jean Kennedy comments: "I see Hertz as a natural partner for Emirates -- both sets of customers make their bookings expecting exceptional quality, service and value for money, which of course we endeavour to deliver. This agreement can only be of benefit to our customers, by providing the complete travel service from two world class brands."

DCCI workshop on stationery products held

A day-long workshop on 'export promotion for stationery products' was held at DCCI Business Institute (BDI) on Thursday, says a press release.

The workshop was organised by BDI in cooperation with Centre for the Promotion of Imports from Developing Countries (CPI), the Netherlands.

Senior Vice-President of DCCI, Shabbir Ahmed Khan, inaugurated the workshop.

CBI Consultant Henny Veurtjes, DCCI Acting Executive Director Md Emdadul Haque, DCCI Deputy Secretary (Training) Hasanur Rahman Chowdhury, and Deputy Secretary (Public Relation) Shahazada Bsunia were also present on the occasion.

A total of 12 companies participated in the workshop.



Photo shows (from L to R) Judith Shorj, Partnerships Director of Hertz Europe Ltd, Mohammad Shareef A Raheem, General Manager-UK and Ireland of Emirates, and Jean Kennedy, Partnerships Manager of Hertz Europe Ltd, at Hertz's location at London Heathrow Airport after the signing of a three-year deal with Emirates and Sri Lanka Airlines recently.

Japan cuts loans to China by 25pc

REUTERS, Tokyo

Japan yesterday decided to cut loans to China by a record 25 per cent in the current fiscal year as it tries to contain bulging public debts and grows wary of China's growing economic and military might.

The cut, which will bring yen loans to some 161 billion yen (\$1.21 billion) for the fiscal year to March 31, is the largest since Japan began yen loans to China in 1979.

Japan's total official development assistance (ODA) to China, which also includes technology cooperation and grants, would be reduced to around 175 billion yen from 227.4 billion yen in the year to March 2001.

The sharp reduction comes after the ruling Liberal Democratic Party (LDP) in October endorsed a government plan to scale back economic aid to China.

US upgrades economic growth data, outlook brightens

AFP, Washington

The US economy expanded 1.7 per cent in the fourth quarter of 2001, the government said Thursday, beating previous estimates and defying an official recession verdict.

"It's an upward surprise," said Sal Guatieri, Chicago-based economist with Bank of Montreal.

"The report is generally consistent with the view that this economy bounced out of recession late last year and now is advancing at a fairly solid clip in the first quarter."

Annualised gross domestic product (GDP) growth in the October-December period had already been upgraded by the Commerce Department from a first estimate of 0.2 per cent to 1.4 per cent.

Economists said they were being forced to tear up their earlier cautious growth forecasts.

"We are looking now at annual growth of three per cent this year," Guatieri said. "That is an estimate that has essentially doubled in the last couple of months on the back of the much stronger than expected numbers."

The new figures showed trade was slightly stronger than first thought while consumer spending raced ahead 6.1 per cent, fuelled by

special financing deals in car show-rooms.

Businesses sliced deeply into their inventories, reducing them by 119.3 billion dollars and setting the scene for a recovery when they have to order fresh goods.

Business fixed investment -- the eagerly awaited but still missing ingredient of a sustainable recovery in the world's biggest economy -- slumped 13.8 per cent.

"A robust recovery is now underway," said Merrill Lynch economist Bruce Steinberg. He forecast 4.5 per cent economic growth this year when compared to the last quarter of 2001.

Other economic figures provided a reminder of the hurdles ahead.

US companies' net profits slumped 10.6 per cent in the fourth quarter of 2001, a near four-year record.

The drop, which was measured against the third quarter, was the fifth quarterly decline in a row and the steepest since the first quarter of 1998, the Commerce Department said.

And the queue of people making new claims for US unemployment benefits grew a larger-than-expected 18,000 to a seasonally adjusted 394,000 last week, the

Labour Department said.

"The story going forward is that business investment will likely lag the other sectors through the economic recovery," Guatieri said.

"Businesses are still reluctant to increase capital expenditures and increase hiring until they see their profits coming back."

Nevertheless, the latest economic figures stoked a debate over whether the United States had even experienced a recession last year.

The official arbiter of US economic cycles -- the National Bureau of Economic Research -- said a recession began in March last year. But many people measure a recession as two consecutive quarters of GDP contraction, a standard that was missed.

"If you were one of the 1.5 million Americans that lost their jobs or could not find work through the so-called recession period that began in March then yes, I guess you could say the US did experience a recession," Guatieri said.

"But if you look at a lot of other indicators including just quarterly GDP then I guess you could argue that what the US saw was more a brief downturn or a very sharp slowdown in activity rather than a recession."

Row over steel tariffs Japanese, US ministers to meet Apr 11

AFP, Tokyo

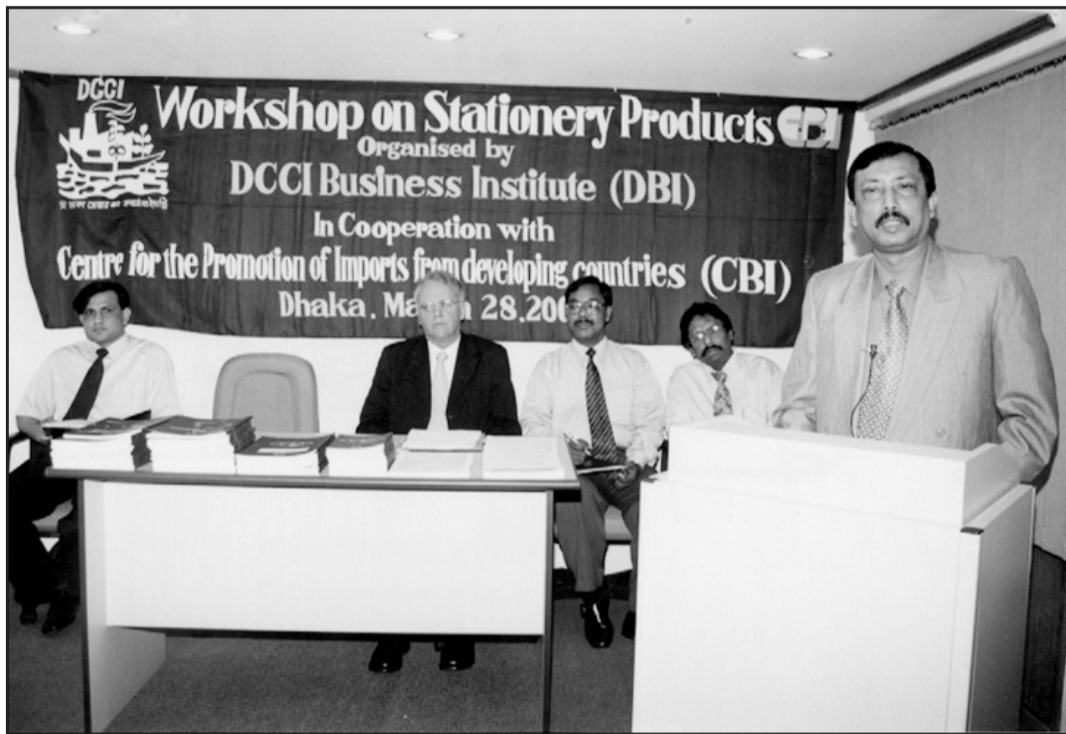
Japanese trade minister Takeo Hiranuma said Friday he would meet US Trade Representative Robert Zoellick in Tokyo on April 11 over the US decision to slap new tariffs on steel imports.

"I will meet Mr. Zoellick, and the date has been so far set on April 11," Hiranuma told a news conference.

The meeting is part of consultations between Tokyo and Washington over Japan's complaint to the World Trade Organization (WTO) against Washington's three-year "safeguard" tariffs of up to 30 per cent on steel imports.

"It is extremely regrettable that these kinds of protectionism measures were taken under the free trade regime," Hiranuma told the conference.

"I will demand their withdrawal" at the meeting with Zoellick, Hiranuma said.



DCCI Senior Vice-President Shabbir Ahmed Khan speaks at a workshop titled "Export Promotion for Stationery Products" organised by the DCCI Business Institute in the city on Thursday. CBI Consultant Henny Veurtjes, Acting Executive Director of BDI Md Emdadul Haque, Deputy Secretary-Training Hasanur Rahman Chowdhury, and Deputy Secretary-Publication Sahazada Bsunia were also present on the occasion.

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