

Japan, US sign tourism pact to recover loss

AFP, Tokyo

Japan and the United States signed a pact to try to recover a 20 per cent loss in the tourism business suffered by both nations in the wake of the terrorist attacks on September 11, a statement said Friday.

The governments would establish a Tourism Export Expansion Council, funded by private sector travel and tourism businesses, to meet twice a year, the US Embassy statement said.

US Commerce Secretary Donald Evans signed the pact with Japanese Land, Infrastructure and Transportation Minister Chikage Ogi, it said.

In a separate statement, the two countries also said they would promote business and trade by linking government Web sites and establishing regular trade promotion meetings.

Two Japanese banks to merge

AFP, Tokyo

Two of Japan's weak provincial banks on Friday reached a basic agreement to integrate their operations under a holding company amid mounting concerns over swollen bad loans.

Nishi-Nippon Bank and Fukuoka City Bank would merge "pending the approval of shareholders and affected government agencies," the pair said in a statement.

The two lenders are based on the southwestern Japanese island of Kyushu.

"By becoming the top bank in Kyushu in terms of size, profitability and client base, we aim to grow further," the banks said.

With combined assets of 7.22 trillion yen (55.5 billion dollars) as of September last year and deposits of 6.39 trillion yen, the integrated group would become Japan's fourth largest regional lender.

"We will cooperate as equal partners and would like to contribute to the growth of the regional economy," they said.

The move comes as the government steps up pressure on banks to erase a mountain of bad loans, cited as a root cause of Japan's deep economic slump.

Global economy recovering after narrowly averting recession: IMF

AFP, Washington

The global economy has likely "bottomed out" after narrowly averting a worldwide recession and is set for a more robust recovery than anticipated after September 11, the IMF said Thursday.

The IMF boosted its global economic growth forecast for 2002 to 2.8 per cent, compared with a 2.4 per cent forecast late last year, when the organization hastily revised its outlook after the terrorist attacks on the United States.

The pace of growth is expected to pick up to four per cent by 2003, the International Monetary Fund said in its twice-yearly World Economic Outlook, issued ahead of a weekend gathering of IMF and World Bank policymakers.

The organization acknowledged it may have been too pessimistic last year, especially in its US outlook, which was revised sharply downward in the wake of September 11.

The IMF has now more than tripled its 2002 forecast for US economic growth to 2.3 per cent from a December outlook of just 0.7 per cent -- a big factor in the global turnaround.

"With confidence stabilizing, uncertainties easing, and emerging market financing conditions improving more quickly than was then

anticipated, the risks to the outlook have become more balanced, although the recent volatility in the oil market is a significant concern," the IMF said.

There are "increasing signs that the global slowdown, which began in the middle of 2000, has bottomed out."

The events of September 11 "had a short-run impact on (economic) activity," the Fund said.

But, that short-run impact has "not prevented a recovery in the first half of 2002."

A series of economic stimulus measures both before and after September 11 has put the United States at the helm of the global recovery, IMF officials said.

"In April 2002 it is clear that September 11 did not pull down the global economy for long. This is mainly due to the leadership of the United States with its bold decisions to lower interest rates and to reduce taxes," IMF Managing Director Horst Koehler said Wednesday.

"A recovery is underway now in the United States and this is already beginning to have a positive impact on the economies in other regions."

The pace of growth, however, is uneven, as Europe trails the United States and the outlook in Japan remains bleak.

"The question mark is mainly how strong and durable the recov-

ery in the United States will be," Koehler said.

The IMF report noted that in Japan, the world's second-largest economy, "activity may now be bottoming out (but) the outlook remains very difficult with few signs of a sustained recovery in domestic demand."

In emerging markets, the report said, "there are signs of recovery in a number of Asian emerging markets -- particularly (South) Korea -- aided by the nascent improvement in the IT sector, although not as yet in most Latin American countries."

IMF chief economist Kenneth Rogoff said a number of risks to the global outlook remain, including a potential spike in oil prices. A five dollar-per-barrel increase could subtract 0.3 per centage points from global growth, the IMF said.

Other factors include the high US current account deficit, which could lead to big imbalances and a correction in the dollar, he noted.

Rogoff said Japan's sluggishness will continue to weigh on the global economy and that terrorism including "another 9/11-type event" could thwart the global recovery.

The IMF predicted the US economy will show gross domestic product growth of 2.3 per cent in 2002 and accelerate to 3.4 per cent growth next year.

Japan should see a 1.0 per cent

contraction in 2002 but will eke out a positive 0.8 per cent gain in 2003, the IMF predicted.

Euro zone growth is seen at 1.4 per cent this year and 2.9 per cent in 2003.

Developing nations will likely see growth pick up to 4.3 per cent this year and 5.5 per cent next year, while countries "in transition" -- mostly former Soviet republics -- will see growth taper off to 3.9 per cent in 2002 and rise to 4.4 per cent next year, the IMF said.

The IMF said the global economy probably averted a recession over the past year though it was "a close call."

While there is no standard definition of a global recession and there was no negative growth for the entire world economy in recent history, last year's global economic growth of 2.5 per cent was thought by some economists to be too slow to help many of the world's poorest countries make gains.

The IMF said recent data showed "a sharp fall in production and trade" in the global economy, along with a slump in information technology, but said "the picture from these series appears more severe than that from data on real GDP."

Egyptian trade fair opens in Baghdad

AFP, Baghdad

Iraqi Vice President Taha Yassin Ramadan opened an Egyptian trade fair with 100 exhibitors Thursday.

"Iraq welcomes favourably the organisation of Arab fairs in Baghdad," Ramadan said, particularly those promoting Arab industries.

The head of Egypt's industries union, Abdul Monem Al-Saudi, arrived in Baghdad Wednesday to look at ways to "widen bilateral cooperation" between Iraq and Egypt.



PHOTO: AFP

Employee of Japanese electronics giant Sony Asako Hirano displays the company's tiny notebook computer "VAIO PCG-U1", measuring 184.5 x 30.6 x 139mm and weighing only 820g, equipped with a 867MHz Transmeta Crusoe processor on its CPU and 6.4-inch XGA (1024 x 768-pixel) LCD display, at the company's showroom in Tokyo Thursday. Sony will put it on the market 27 April with an estimated price of 1,150 US dollars.

Taiwan mulls anti-dumping tariffs on ROK, Filipino cement products

AFP, Taipei

Taiwan may impose up to 127 per cent anti-dumping tariffs on cement products from South Korea and the Philippines in the next two months, a financial official said Friday.

Nine South Korean and Filipino cement makers had been found dumping cement products here after a 10-month probe by the finance ministry, said the official who declined to be named.

"These companies could face anti-dumping tariffs ranging from 42

per cent to 126.8 per cent pending assessment of the economic ministry on the extent of damages to the business of local cement makers," he said.

A final ruling was to be made within the next two months, he added.

Investigation of the dumping allegation started in July last year after complaints from several Taiwanese cement producers including Taiwan Cement and Asia Cement.

Russia can join WTO next year if it enacts key reform: Moore

AFP, London

Russia can join the WTO by the end of 2003 but still needs to push through key economic reform to qualify for membership, World Trade Organization chief Mike Moore said Friday.

Addressing a Russian economic forum, Moore said that Russia had entered the final phase of accession, and would be able to join provided it was not let down by the leadership in Moscow and elsewhere in the international financial community.

"Nine years after applying, Russia's accession is finally entering a decisive, final phase," he said.

"There are in Washington Brussels and Moscow people with the horsepower, firepower and willpower to make this accession happen," said the WTO director-general.

"It will be a great failure of leadership if this accession is not completed in time for Russia to sit at our ministerial meeting next year in Mexico," he said.

India's Wipro net profit up by 32pc

AFP, Bangalore, India

Indian software firm Wipro said Friday net profit rose 32 per cent in the year to March as growth in new business areas offset the slump in telecommunications.

India's third largest software exporter posted a net profit of 8.9 billion rupees (184 million dollars) with revenue growing 12 per cent to 34.9 billion rupees.

"We have emerged stronger from a year of uphill climb," said chairman Azim Premji.

"Looking ahead, for the quarter ending June 2002, we expect our revenues from the global IT business segment to be around 123 million dollars," Premji said.

The firm said expansion into new areas such as systems integration and strong growth in financial services had offset the meltdown in the telecommunications sector.

Wipro Technologies, the global IT services division of the company lifted revenue 28 per cent in the year to March and contributed 66 per cent of total sales.

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