

China's exports rise by 14.1pc in first half

AFP, Beijing

China's exports rose a solid 14.1 per cent in the first six months of the year against the same period in 2001, official figures showed, giving cheer to economic planners hoping for a year of export-led growth.

China exported goods worth 142 billion dollars to the end of June, the General Administration of Customs announced in figures released by the official Xinhua news agency late Thursday.

Over the same period, imports totalled 128.7 billion dollars, up 10.4 per cent over the same period last year, giving total foreign trade growth of 12.3 per cent.

In June alone, exports surged 17.8 per cent to 26 billion dollars, with imports at 23.1 dollars, up 8.6 per cent.

Good export growth is vital for China to achieve its government-set growth target of seven per cent for the full year, considered by observers the minimum needed to prevent further mass unemployment and potential social unrest.

In the first quarter of 2002, China's economy grew 7.6 per cent year-on-year, an improvement on the 6.6 per cent recorded the previous quarter which economists put down mainly to improved exports.

China will on Monday unveil its growth figures for the first half of this year, widely expected to be around 7.5 per cent.

Bankruptcies in Japan fall to 17-month low

REUTERS, Tokyo

Bankruptcies in Japan fell to the lowest level in 17 months in June, a research firm said yesterday, but they are likely to pick up steam again after hitting their third highest post-war level in the first half of 2002.

Private firm Teikoku Databank said the number of Japanese bankruptcies fell on a year-on-year basis for the second straight month in June, dropping 9.5 per cent to 1,415 cases, the lowest level since January 2001.

Bankruptcy debt rose 1.8 per cent year-on-year in June to 703.1 billion yen (\$6.01 billion), but that total was the lowest in 12 months and represented a big 35.2 per cent fall from May.

The slowing rate of failures was not enough to prevent first half bankruptcies from rising 4.7 per cent year-on-year to 9,872, the third-highest level for that period since World War Two.

The amount of bankruptcy debt for January-June was 7.44 trillion yen, up 3.2 per cent from the same period last year.

Despite signs the world's second-largest economy has emerged from its worst postwar recession, Teikoku said the slowdown in bankruptcies was a temporary blip and not evidence of a real turnaround.

"We absolutely cannot say we have entered a period where bankruptcies will continue to fall," Teikoku said.

It said Japanese creditors were probably just pausing for breath after seeing the teetering banking system weather March book closings and digesting a slew of corporate earnings in April and May.

IEA sees sluggish oil demand this year

AFP, Paris

Demand for oil is set to be much weaker than expected this year but should firm next year as the world economy picks up, although the outlook is overshadowed by corporate accounting scandals, the IEA said on Friday.

The agency reduced by 40.5 per cent its forecast for growth of demand for oil for the whole of this year from 420,000 barrels per day to 250,000 barrels, a reduction of 170,000 barrels per day, but saw demand rising in the fourth quarter.

After three years of sluggish growth, demand for oil should grow by 1.1 million barrels per day in 2003, or by 1.4 per cent, helped by a progressive recovery of the world economy, the IEA said in its monthly report.

"The forecast assumes a progressive pick-up in the global economic recovery, moderate El Nino conditions in the winter 2002-2003 and a return to normal weather patterns in the second half of 2003," the report said.

It warned however: "On the demand side, there is growing concern about the pace of global economic recovery, with confidence shaken by corporate accounting irregularities and the financial instability of Latin America."

Recruiting agents agree to cut migration cost by 50pc

Efforts pledged to eliminate middleman system

RAFIQ HASAN

Recruiting agents have agreed to eliminate middleman system in manpower export and reduce migration cost by at least 50 per cent from the existing rate.

The government has also agreed to help eliminate the system, blasted for increased migration cost.

The decisions came at a meeting between the Ministry of Expatriate Welfare and Overseas Employment and the Bangladesh Association of International Recruiting Agencies (BAIRA) held in the city on Thursday.

State Minister for Expatriate Welfare and Overseas Employment Quamrul Islam presided over the meeting, which was attended, among others, by BAIRA President MA H Salim MP, General Secretary Gholam Mostafa and Mohammad Ali Asgar MP.

Expatriate Welfare Ministry

Secretary Daili Uddin Mondal and Director General of Bureau of Manpower Export and Training Shahudul Haque were also present.

Many middlemen, who stay abroad, are engaged in collecting visa advice from foreign employers, official sources said.

As an immediate step the government will try to bring back those middlemen, the source added.

"As we want to abolish the system, recruiting agents have to recruit workers directly or take help from district manpower employment offices," said the state minister for expatriate welfare while talking to The Daily Star.

The government is setting up a data bank for sending people abroad where no middleman will be needed, he said.

The recruiters will also have to go abroad to explore market instead of depending on middlemen, the minister said.

As the workers are being

recruited through agents and sub-agents, the cost goes up and a number of countries have already made objection to the practice because it causes various complications, leading to fraud.

Although the government has fixed highest Tk 50,000 for sending a worker abroad, the recruiting agents charge almost three to five times higher rate.

They charge around Tk 1.20 lakh for sending a labourer to Saudi Arabia and Tk 2.60 lakh for sending a worker to South Korea.

Recruiters said a big portion of money goes to middlemen's pockets because of the existence of unofficial business on visa advice buying for the workers in the countries where Bangladeshis go in large number.

The rate of visa advice in Saudi Arabia ranges between 5,000 and 6,000 riyals, equivalent to Tk 75,000 to Tk 90,000 for an unskilled labourer.

The price of a visa advice in Malaysia varies from around 3,000 (around Tk 45,000) to 4,000 (around Tk 60,000) ringgit.

Now Malaysia has proposed that its door can be opened to Bangladeshis provided the migration cost remains within \$1,000.

Bangladesh has accepted the proposal and is developing a data base system of sending workers to Malaysia.

However, some recruiting agents told The Daily Star it is impossible to run the recruiting business without middlemen.

We have to depend on middlemen, who stay abroad for getting visa advice, said managing director of a leading recruiting agency.

If the system is abolished the manpower export sector will face a setback, he said.

There are around 700 recruiting agents in the country who are officially permitted to send people abroad.

Concord fair pulls huge crowd

STAR BUSINESS REPORT

A large number of visitors thronged the eight-day Concord Fair 2002 at Gulshan in the city yesterday with different Concord Group companies displaying their products.

The visitors showed their special interest in concrete brick, a newly launched product of Concord, besides flats, furniture and different types building materials.

Concord officials said the concrete brick, which is made of cement, sand and stones, is an environment friendly one. At present, traditional clay bricks are not used as principal building material in any part of the world excepting in

Indian sub-continent, they said.

Abdullah-Al-Mahmood, marketing manager of Concord Real Estate and Building Products Ltd, yesterday told The Daily Star they have already received orders for their concrete bricks from a number of buyers.

He also informed Concord is also giving structural and architectural consultancy at low cost to people, who buy concrete bricks.

Minister for Environment and Forest Shajahan Siraj formally inaugurated the Conpac concrete brick at the Concord Centre at Gulshan in the city on Thursday. Later, the minister opened the fair at the same venue.

Concord Group is also offering a number of family packages and different types of discount on their product sales at the fair.

Apart from adults, children and teenagers are also visiting the exhibition where different gift items of theme park Fantasy Kingdom at Ashulia are available at discount price.

The visitors are also getting special coupons, which will allow them to enter the Fantasy Kingdom at discount rate.

The fair is open to all from 9am to 9pm everyday till July 18.

'Ousted WorldCom CEO knew books were cooked'

AFP, Washington

WorldCom's former chief financial officer Scott Sullivan told congressional investigators that ousted CEO Bernard Ebbers was aware that the company was cooking the books, The Wall Street Journal said Friday.

"Ebbers was aware that hundreds of millions of dollars had been moved" into capital expenditures accounts, said Ken Johnson, a spokesman for House Energy and Commerce Committee Chairman W.J. Tauzin.

Tauzin, a Republican for Louisiana, is one of the two congressmen leading the investigation into WorldCom's troubles.

"This is the first evidence we have seen showing that the muddy little footprints may lead back to Bernie Ebbers's doorstep," Johnson said.

"Clearly, there's evidence that people at WorldCom knew someone was cooking the books," he added.

Consulted by the Journal on Sullivan's statements, Ebbers' lawyer denied that his client was involved in illegal activities.

"Bernie Ebbers did not know anything about Scott Sullivan's decision to reallocate expenses on WorldCom's books," the lawyer said.

Manufacturing outlook in US best in 2 years

AFP, Washington

A closely-watched barometer of the US manufacturing sector climbed to its highest level in two years in June, an industry group said Thursday.

The quarterly Manufacturers Alliance/MAPI composite index of future activity -- compiled from a survey of 59 senior industry executives -- rose from 52 points in March to 63 points.

The index was at its highest level since June 2000.

"This quarter's survey results build on those of the last quarter, which provided the first real indication that the manufacturing sector would recover this year," Manufacturers Alliance/MAPI chief economist and survey coordinator Donald Norman said.

Central American states, US end 5th round of free trade talks

AFP, Washington

The United States and Central American countries completed Thursday a fifth round of talks on the possibility of a free trade zone.

"We are anxious that Congress approves the Trade Promotion Authority so that we can begin negotiations," said Anabel Gonzalez, Costa Rica's chief negotiator.

Both houses of the US Congress have passed a bill to give US President George W. Bush broader power to negotiate trade deals without modifications, although the details of the agreement are now being worked out in a conference committee.

Regina Vargo, assistant US trade representative for the Americas, said the exploratory process should go much more smoothly once Bush gets the authority to negotiate trade deals.

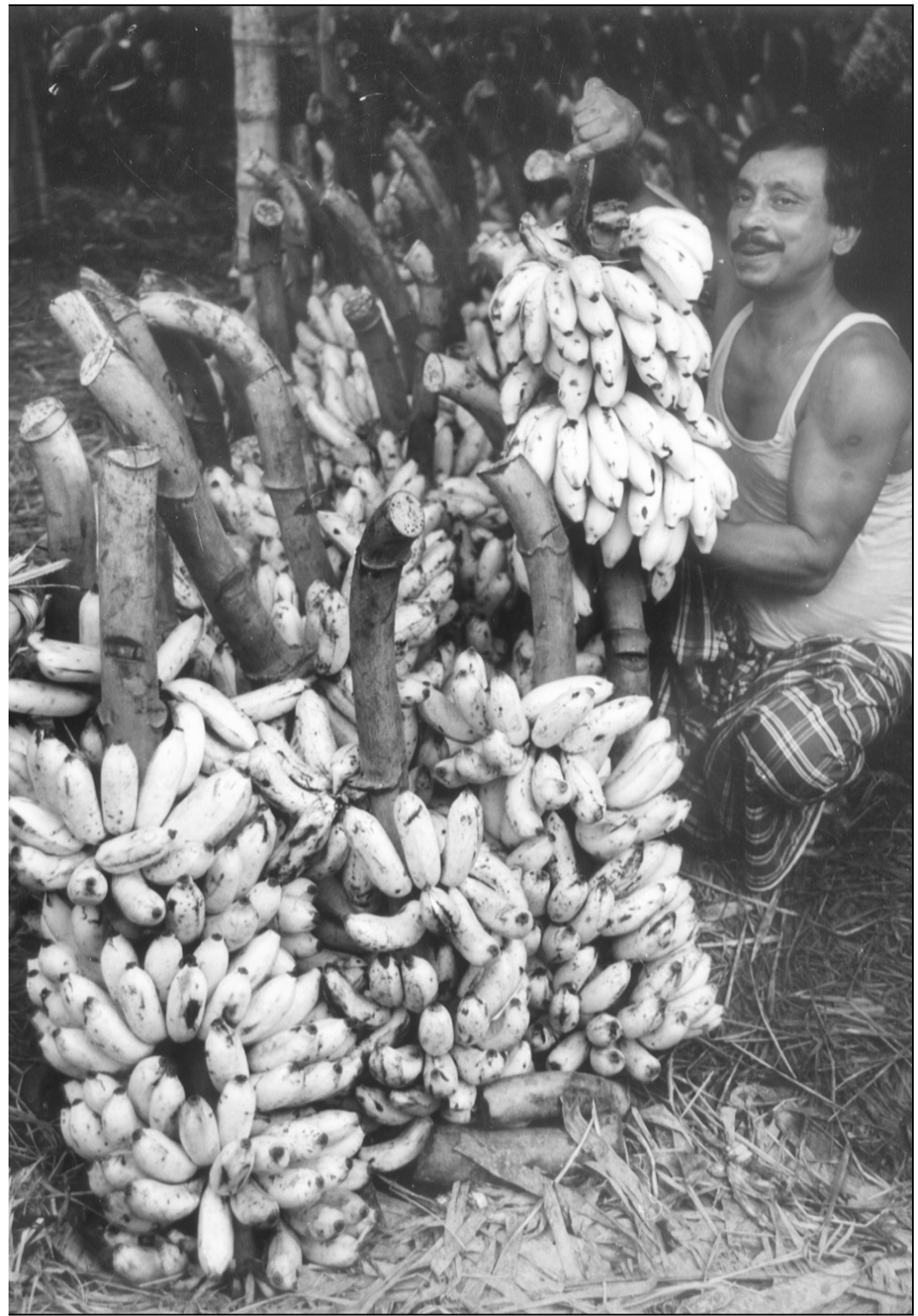


PHOTO: STAR

A vendor at a city wholesale market shows off banana, which sells between Tk 50 and Tk 80 per 80-piece. Huge quantities of the popular fruit from Jehnidah, Magura and northern districts are arriving in the capital.

Bush took corporate loans of the type he seeks to ban

AFP, Washington

While he served as a board member of the now-defunct Harken Energy company, US President George W. Bush was granted two low-interest loans to purchase stock -- the same type of loans he now wants banned, US media reported Thursday.

The revelations that Bush accepted 180,375 dollars in loans from Harken in 1986 and 1988 to buy company stock that he then returned once he left the company, but not before he sold other shares worth 848,000 dollars, came as he pledged a new dawn in corporate accountability.

On Tuesday, Bush addressed Wall Street and called for an end to insider transactions, challenging directors of publicly-traded companies to "put an end to all company loans to corporate officers."

"Those who sit on corporate boards have responsibilities," he said Tuesday.

The New York Times reported Harken offered the loans as part of a stock options program available to "executive officers" that was extended to include Bush even though he was a director and con-

sultant rather than a member of management.

The loans did not require repayment for eight years and were assessed a five-per cent interest rate -- below the prime rate of 7.5 per cent at the time, the daily said.

The terms of the loans were further relaxed by the oil company, which went bankrupt after having to restate its earnings to show quadruple the loss that it had reported, so that they would remove "any personal liability to yourself," according to a company lawyer's 1989 memo to Bush, the daily wrote.

The White House, which has sought to distance the president from the decade-old Harken stock transactions, responded to the new loan revelations by insisting there was no hypocrisy in Bush's demands for more stringent corporate accountability standards.

"President Bush looked at these loans, and the president felt the best way to do it was to draw a bright line; the best way to handle these loans going forward is through a bank," White House communications director Dan Bartlett was quoted as saying by the Washington Post.

The Securities and Exchange

Commission opened an investigation into Bush's 1990 sale of the 212,000 shares of Harken stock that netted him nearly one million dollars, which came just weeks before the company disclosed its worse-than-expected earnings.

The regulatory body found there was no evidence of insider trading but raised questions as to why it took him so long to file the necessary paperwork -- 34 weeks after the transaction was completed, and sent undated, the Times reported.

Democrats, hoping to gain some momentum ahead of November's midterm elections, have questioned the president's ability to regulate corporate behavior while lingering doubts about his own business record linger.

Senate Majority Leader Tom Daschle, in remarks to CBS Sunday, said the president would do well to release the SEC file listing his Harken stock transactions.

"We've had different explanations as to what actually occurred. I think that would clarify the matter a good deal."

'European financial info better than in US'

AFP, Paris

The quality of financial information is "surely better in Europe and France" than in the United States, French Economy and Finance Minister Francis Mer said in an interview published here on Friday.

Mer also told the financial daily Les Echos: "It is in any case urgent to reestablish confidence and demonstrate our determination on a global level" in the wake of financial controversy in the US.

"It is our duty, in Europe and in France, to reinforce the credibility of financial information."

"It is also in our interest: we have an opportunity to show financial markets that European companies are trustworthy," Mer said.

However, on Thursday Mer had announced that he would soon draft a new law creating a single, rein-

forced regulatory body for financial markets.

He told a financial forum here that he would propose a "financial security" law by the end of the summer, explaining: "Security requires protection for investors and insured parties. I hope this financial security law includes such considerations."

"Increased security in our country also requires strong and efficient regulatory authorities, not that they are now weak or pusillanimous, but they must be better equipped to deal with the challenges of tomorrow."

On Thursday, US-based analysts warned that mauled US stocks threatened a national economic recovery because shaken consumers might curb purchases and business capital investment could decrease.

Mer said on Friday: "Current volatility on financial markets is excessive."

"They (investors) are worried because they have lost their reference points."

Shareholders "are wondering in particular about the honesty of company accounts, discredited by a dozen affairs in the United States".

After the US energy trading group Enron was forced to declare bankruptcy in early December, top corporations have come under close scrutiny, revealing serious financial problems at several including the telecommunications group WorldCom.

Others, such as pharmaceutical groups Merck and Bristol-Myers Squibb, or copier and imaging firm Xerox have been asked to explain what has been described as aggressive accounting practices.