The Baily Star

BUSINESS

benefit

Developing states hit out US insists zero-tariff zero-tariff plan will benefit poor at US zero tariff plan AFP, Geneva The United States on Monday formally presented to its WTO partners a plan to progressively

REUTERS, Geneva

Developing countries Monday rejected a US call at world trade talks to abolish tariffs on industrial and consumer goods by 2015. saying it would hurt poorer states.

While almost unanimously applauding the United States for setting ambitious targets for World Trade Organisation (WTO) talks, most developing countries said they could not afford to go along with the plan.

A number of countries, including India and Pakistan, said that import duties were too important for state finances to be abandoned altogether, while others spoke of the continuing need to give their indus-

tries some protection from outside competition.

We are not able to accompany you in this high level of ambition. said Malaysia's representative at the Geneva talks. "We need to give appropriate tariff protection to our industry," he added.

Members of the WTO are holding two days of talks on liberalising commerce in non-agricultural goods, part of the Doha round of free trade talks launched in the Qatari capital 13 months ago.

The United States, which first announced its zero tariff plan in Washington last week, says its vision of a "tariff-free world" would put billions of dollars into the pockets of consumers around the world.

The scheme calls for duties to be dismantled in two steps, with the first being the elimination of all tariffs

currently below five per cent and the capping of all others at eight per cent by 2010. "The proposal aims to provide a shot in the arm to the Doha

agenda's goal of opening markets and promoting economic development and prosperity around the world," US ambassador Linnet Deily said

Washington says the plan could benefit developing countries particularly because industrial goods make up 889 per cent of their total exports But many developing states said

it was unrealistic to think that all the

19th Meeting of the Board of Director

WTO's 144 member states could do away with tariffs.

"We need to be realistic and not idealistic," said Pakistan's representative. "We will not be able to reach zero tariffs in our life-time," he added Some other developing coun-

World Trade Organisation told a tries that are also big exporters of news conference here. farm goods, like Uruguay, expressed disappointment that the developing countries would secure United States had not been as within five years bound duty-free ambitious in setting targets for market access for non-agricultural negotiations on agricultural trade.

goods now entering developed Washington, which like the country markets at tariff levels at or European Union gives huge finanbelow five per cent," she said. cial support to its farmers, has called for sharp cuts in such programmes but not their elimination

three-quarters of imports to the United States, Europe and Japan,' she added. The US plan would see the elimination of all non-agricultural tariffs by the 145 members of the WTO by 2015 in two steps.

eliminate global tariffs on industria

and consumer goods by 2015,

nsisting poor countries stood to

89 per cent of developing countries'

exports, Linnet Deily, the US

ambassador to the Geneva-based

"Through the US proposal

"This accounts for more than

Industrial goods make up about

The first stage includes countries eliminating all tariffs at or below five per cent by 2010.

Tariffs in highly traded industry sectors would also be eliminated as soon as possible, but no later than 2010, it says

And all other tariffs would be reduced to less than eight per cent by 2010.

Then, WTO members, under the second phase from 2010 until 2015, would bring remaining tariffs to zero through equal, annual cuts.

Trade representatives from the global trading body began two days of market access talks here Monday as part of the Doha Development trade negotiations scheduled to run until the end of 2004.

Speaking to reporters, Deily said the US proposal was "both bold and

"We are putting our own sensitive areas, textiles, apparel, footwear, glassware, on the table in an unprecedented manner." she said

One year after Enron Corp. filed for bankruptcy, major creditors worry their money is being drained away in legal fees or trapped in a maze of subsidiaries.

AFP, Washington

Creditors fear the rate at which Enron is spending cash is so great that it threatens the assets that can be used to repay them, said Aaron Cahn, one of the lawyers for Dunhill Resources and other major creditors

"There is definitely a concern," he said. "I am not sure that anybody knows what to do about that at this point but, yes, in general there is a climate of nervousness.

Enron, floundering in accounting scandals, filed December 2 last year for Chapter 11 bankruptcy, under which it can continue to trade while restructuring

At the time it listed about 50 billion dollars in assets, the biggest US bankruptcy. But that record was later smashed by telecommunications group WorldCom.

Legal fees take toll on creditors

1 yr after Enron bankruptcy

In an October filing to the Bankruptcy Court in New York, Enron expected that legal and other administrative fees would total 306 million dollars by the end of this year, Cahn said.

The legal fees were to be discussed in a special hearing this month, said Cahn, speaking by telephone from his offices at the New York firm Carter, Ledyard and Milburn

But the creditors' concerns were wider than the professional fees, he said

"The real question is what will find its way up to the entities that most creditors have claims against," he said. "As you know, Enron had this

Steel makers press govts to

agree on restructuring

web of subsidiaries and related entities -- literally thousands.' Many of the Enron assets were held in the mass of subsidiaries. against which a relatively small

number of creditors had claims. The big question was: How much money will flow up the chain to the core Enron bodies such as Enron Corp. or Enron North America after the creditors in the

subsidiaries have been paid off? "Obviously, the picture is extraordinarily murky. All we can really do at this point is identify the concern. I can't speak to the likelihood of a particular result happen-

ing or not happening," Cahn said. Since Enron filed for bankruptcy, its accountant Arthur Andersen has been convicted of obstruction of justice. Stock markets around the world have been battered by a loss of investors' trust

the elimination of steel sector subsi-

dies and to develop mechanisms

that facilitate and expedite the

closure of inefficient excess steel

capacity," the steelmakers' letter

The letter was signed steel

in corporate accounting

German jobless set to rise to 4m this winter: Minister

AFP, Berlin

The number of people out of work in Germany, the biggest euro-zone economy, is set to rise back above the politically sensitive level of four million this winter. Finance Minister Hans Eichel told the lower house of parliament, the Bundestag, on Tuesday

Speaking in a debate on the 2003 budget, Eichel said: "This winter, unemployment will move back above four million. For this reason, Germany needs farreaching reforms.

In November, the number of Germans claiming dole stood at 3.99 million in raw or seasonally unadjusted terms, the latest data showed.

And in a report released to coincide with the budget debate, the finance ministry published a table of projections which forecast an annual average jobless total for Germany of 4.14 million next year, up from a projected 4.05 million this year

S'pore tourist arrivals rise 12pc in Oct

AFP, Singapore

Tourist arrivals in Singapore rose 12 per cent in October from a year earlier led by strong inflows from Japan, China, India and the United States, the tourism board said Tuesday

A total of 638,237 people visited



Chairman of Executive Committee Akkas Uddin Mollah, Chairman of Policy Committee Engr. Md. Towhidur Rahman, Advisor Ashfaque U. Chowdhury, and Managing Director Matin Uddin Ahmed were present at the meeting.

Rich nations fail to plug education gap for poor

agreed that at the meeting.

REUTERS, Washington

Rich countries failed to come up with \$400 million to beef up education in poor nations at a key meeting last week and sources at the gathering say if the money isn't found by April, those that did not sign checks

will be publicly named and shamed. A group of wealthy donor countries agreed at the meeting in Brussels last week to find a way to come up with the money to finance education programs in seven devel-

2015. Rich countries reaffirmed their oping countries, but made no specommitment to those goals at a

based lender suggested a fast track because there weren't specific scheme under which 10 countries numbers." one official who attended the meeting said. "By the spring would get immediate financial and technical support to get their educathere is going to be a public accounting about who pledged what -- we tion systems up to scratch.

Only seven countries Burkina The Education For All program Faso, Guinea, Guyana, Honduras, was designed to help all countries Mauritania, Nicaragua, and Niger reach the United Nation's were picked to participate. And so Millennium Development Goal to far, they have not received any get all primary school age children money around the world into school by

Charity groups said rich countries had "flunked the education test" at last week's meeting.

"This is a tiny step in the

competition in telecom sector AFP, Hong Kong China's information industry minis-

tion in the telecoms industry in an orderly manner rather than fully liberalising the sector, a report said Tuesday.

International Telecommunications Union (ITU) conference Monday, minister Wu Jichuan stressed neither a monopoly of the telecom market nor the rash issuance of licenses were the best methods of

"A monopoly is not acceptable out issuing a huge number of licen-

number of guests has increased by 25 per cent in the months of October and November," said Alfonso Romero, general manager of Hanoi's Melia Hotel.

both the tourism and corporate market has improved dramatically, he said

"We have just closed the books for November and the results are fantastic. We had a 92 per cent occupancy rate compared to 72 per cent in November 2001. We haven't experienced such figures since May 1996."

However, he acknowledged the most significant reason for the bursting occupancy rates was "the perception that Vietnam is politically stable"

China to allow AFP, Hanoi

ter said Beijing would raise competi-

Speaking during the

City.

opening up the lucrative sector.

AFP, Washington Steel makers in the United States and Latin America pressed world governments Monday to agree to cut subsidies and close inefficient plants at talks in Paris this month.

Members of the industrialized nations' club, the Organization of Economic Cooperation and Development, are to hold a "highlevel group" meeting on subsidies and the steel glut in Paris from December 18-19.

Governments should agree to launch negotiations to achieve an effective, enforceable subsidies code, the steel makers' representatives said in an open letter, a copy of

"The goal should be to prohibit Bush to impose tariffs of up to 30 per cent on most steel imports. virtually all steel subsidies except in a few carefully defined agreed "The previous four meetings of areas, such as assistance related to the high level group have been the permanent closure and scrapproductive, but it is now time to act in a more forceful way -- to launch ping of facilities," it said. serious government negotiations on

"It is time to get governments out of the business of building and perpetuating steel capacity."

Secondly, it said, the goverments should agree in Paris to "explore seriously, with industry, mechanisms to facilitate the closure of inefficient excess global steel capacity.

makers' associations from Argentina, Brazil, Canada, The global steel industry has been suffering from a production Colombia, Mexico, the United glut that has forced a number of US States and Venezuela, as well as firms out of business and in March the regional Latin American Iron and Steel Institute prompted US President George W.

Vietnam tourism cash in on regional terror fears

"People are afraid to fly to

The Vietnam National

The deadly bomb attacks in Bali popular get-away destinations. may have cast a shadow over many of Southeast Asia's tradiagainst travelling to Indonesia, tional tourist hotspots, but Vietnam Malaysia, Thailand and the is cashing in on its reputation as an Philippines, but Vietnam is one of

oasis of calm in a troubled region. the few places in Southeast Asia Tour operators across the that is considered safe," he said. country are reporting increased bookings, and "no vacancy" signs Muslim countries, but most tourists are being hoisted at many top do not think international terrorists hotels in Hanoi and in the southern will strike here.' business capital of Ho Chi Minh Administration of Tourism (VNAT)

"Compared to last year, the

people and decimated the tourist impact on numbers. industry at one of the region's most "The operating environment for "Many countries are warning



Singapore in October, bringing the arrivals for the first 10 months of the year to 6.3 million, down 0.8 per cent compared with the January-October period last year.

Arrivals from Singapore's top 12 markets, except for Australia, posted increases for the month.

Arrivals from China in October grew 35.4 per cent to 58.466 people, making the emerging Asian economic giant the third biggest source of tourists after Indonesia and Japan

"Aggressive group travel promotions led to a double-digit growth in visitor arrivals from China. This resulted in a significant increase in group packaged tours and holiday traffic," the board said in a statement.

finance could end in disaster if it is Arrivals from Japan soared 62.5 not accompanied by fair rules, per cent, boosted by "overseas Finnish Foreign Minister Erkki school trips and corporate groups to Tuomioia said on Tuesday. Singapore," the board said.

SingTel looks to HK for rapid revenue boost AFP, Singapore

Singapore Telecommunications (SingTel) said Tuesday it expects to earn 30 per cent of its revenue offshore by 2005, up from less than five per cent currently

Efforts to step up its presence in Hong Kong have begun to pay dividends with strong data communications sales to corporate clients, the carrier said in a statement.

SingTel said it recently clinched deals to provide communications services to Hong Kong companies such as Anglo-Eastern Shipping and Ming Pao, but did not give details

Other clients in Hong Kong include Citigroup, Deutsche Bank, IBM and Visa.

"Regional markets like Hong Kong will be an increasingly important source of revenue for SingTel's corporate business," the carrier said.

"Presently, customers who do not have at least one circuit originating or terminating in Singapore, account for less than five per cent of SingTel's corporate business revenue.

"It is expected that by 2005, this will increase to as much as 30 per cent.'

cific commitments

Several European countries, the European Commission, Canada and Norway said they had cash to spare but the world's richest country, the United States, made it clear to the gathering it is not currently preparing to make any pledges. "I can't give you numbers

Globalisation in business trade and

"Recent events have served to

demonstrate the fragility of the

global system, both economically

and politically. There is a growing

demand for improved global gover-

nance." Tuomioia said in his open-

ing address of a conference here on

during the era of internationalization

was far from perfect. Repeated

famines, conflicts and wars bear

witness about shortcomings," he

"The way we managed the world

AFP. Helsinki

globalisation.

meeting in Mexico in the spring. But the education plan has fallen

behind and it now looks unlikely the goal will be met. A study by the World Bank earlier this year found that 88 countries out of 155 surveyed will probably miss the 2015 goal

Globalisation depends on

"But in the new era, failure in

global management could bring

about disasters which could

threaten the very existence of the

hosts the conference, hopes the

meeting will result in a "Helsinki

Process on Globalisation".

Cooperation in Europe (CSCE)

The Finnish government which

ethics: Finnish minister

civilised world.

to deliver an education for all 113 million children in the world who do not currently attend school," Oxfam said in a joint statement with other charities. "But there is still no clarity where the additional money will come. None of the world's rich countries made a concrete pledge.

Last April, the Washington-

ces that result in over-competition and serious wastage of social resources is equally unacceptable. said Wu, cited by the South China Morning Post.

Wu said China would combine the knowledge acquired from the experiences of other countries with its own unique situation to develop a suitable regulatory mechanism.

"When we introduce competition to the telecoms industry, at the same time we also need to consider our own special situation. China's telecom's industry can only have 'relative' rather than full competition," he said.

Indian economy seen growing up to 5.5pc despite slowdown

trialised countries, which profess to AFP. New Delhi

> The Indian economy is still expected to grow between 5.0 and 5.5 per cent in the year to March despite a weak ening of momentum in the first half due to a poor monsoon and tensions with Pakistan, the government said

"The late arrival of the monsoon combined with deficient or scanty rain, weakened the growth momentum in the second quarter," the government's mid-term economic review said.

"High international oil prices uncertainity about recovery of world growth and trade, and a tense situation on the western border (with Pakistan), combined with imponderables arising from the situation in the Gulf and elsewhere compounded the weakness."

tions for the current financial year remain unchanged at 5.0 to 5.5 per cent.

could have ramifications for the international price of crude and delay the recovery of world trade and the resolution of the Latin American debt problem, all of which would affect the Indian economy, it said.

The review listed accelerating structural reforms, rapid improvement in infrastructure, fiscal consolidation and accelerating investment as the government's top priorities.

Like many hoteliers, he attributes the rise to the October 12 blasts on the Indonesian island of Bali, which killed more than 190

information technology sector. Japanese share prices edged up 0.3

percent, led by hi-tech companies after a

positive earnings guidance from Texas Instruments and firmer exporter stocks

due to a weaker yen. The Nikkei-225 average of the Tokyo Stock Exchange added 30.64 points to

Sydney: Australian shares closed

Ordinaries index was down 10.4 points at

closed down 1.1 percent, after a poll of private sector economists slashed growth

expectations for the tiny export-reliant

points to 1.381.87 while the broader All-

Singapore Equities Index was 4.05 points down at 363.18.

closed 0.9 percent higher due to foreign interest that saw stocks extend gains for a

fifth consecutive day. The composite index rose 6.41 points

closed 1.3 percent lower on continued

selling of blue chips by institutional inves-

tors ahead of the long weekend.

positions amid good liquidity.

and a high of 4,805.65.

Kuala Lumpur: Malaysian share prices

The Kuala Lumpur Stock Exchange

Taipei: Taiwan share prices closed 2.4

composite index fell 7.80 points to finish at

percent higher on hopes for government support ahead of the coming local elec-

tions, with investors looking to build

The weighted index closed up 110.75 points at 4,793.93, off a low of 4,675.16

0.7 percent lower on news of an impend-

ing default by Benpres Holdings on a bond

percent lower on profit-taking triggered by

Manila: Philippine share prices closed

Bombay: Indian shares closed 1.2

Singapore: Share prices in Singapore

The Straits Times Index fell 14.94

Seoul: South Korean share prices

3 037 2

to 736.57.

616.46

payment.

estimates that 2.65 million tourists will have visited the country by the end of the year, 150,000 more than targeted.

Le Quang Hau, sales director at the Sofitel Metropole Hotel, one of Hanoi's oldest and grandest institutions, said better tourist infrastructure and improved investment conditions were also having an

The communist-ruled country was ranked by the Hong Kongbased Political and Economic Risk Consultancy (PERC) in late October as the safest Asia-Pacific country for business.

Most Asian stocks mixed

bomb blast in Bombay and the arrest of a well-known stock broker in connection with a market scandal. Asia's major bourses were mixed Tuesday The Bombay Stock Exchange's 30despite optimism about the region's key

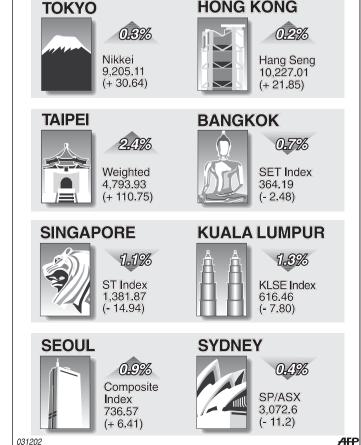
share index shed 40.22 points to close at 3,230.14

Bangkok: The Thai share market slipped 0.7 percent in volatile trade as overseas investors sold off building stocks, particularly blue chip Siam Cement.

composite index dropped 2.48 points to close at 364.19 and the SET 50 index was off 0.20 points at 23.29. Jakarta: Indonesian shares closed 2.2

percent higher as investors sought bargains in blue chips, notably telecoms stocks and Astra International.

The Jakarta Stock Exchange composindex ended up 8.468 points at 397.738. Asia-Pacific MARKETS 3 December S closings HONG KONG



Top Japan banks call for bold anti-deflation measures president Masashi Teranishi, in banks into ordinary shares.

AFP, Tokyo

The heads of Japan's four megabanks said Tuesday the government must introduce bold measures to combat deflation in order to

stop their bad loan burden growing. "Under the current prolonged economic slowdown and deflation, we cannot avoid new nonperforming loans arising. We hope the government... will implement bold anti-deflation measures," said

Yoshifumi Nishikawa. president of Sumitomo Mitsui Financial Group Inc

Nishikawa was testifying before parliament's upper house financial affairs committee with UFJ Bank

Major banks issued preference Mizuho Holdings Inc. head shares to the government in return

tive nationalisation.

the troubled sector.

But Miki said the government

autonomy of bank management".

Terunobu Maeda and Mitsubishi for public fund injections in 1998 Tokyo Financial Group Inc. presiand 1999, and conversion to ordident Shigemitsu Miki The bank chiefs, asked for their nary shares could amount to effec-

views on a government plan to halve the ratio of bad loans at banks by March 2005, said they wanted the government to ensure the plan did not hurt the economy, Miki said.

He added it was important that the views of business people were taken into account. As part of the programme, the

government plans to work out guidelines by the end of March to convert the preferred stocks it holds

promote free trade, while at the This would try to improved multisame time subsidising their own lateral governance, and would be farmers and putting up trade barrisimilar to the process Finland ers for produce coming from poor started during the Cold War that led countries.

rights. It later became part of the

agenda of the Vienna-based

Organisation for Security and

At the opening session on

Tuesday, Tanzanian Foreign

Minister Jakava M. Kikwete pointed

to contradictory behaviour of indus-

Cooperation in Europe (OSCE).

He stressed that the amount the to the Conference on Security and poor countries received in develop-The CSCE and the Helsinki Final ment aid from the industrialised Act, signed in 1975 in the Nordic world did not make up for the loss of capital, committed the 55 participattrade and called for dialogue ing countries to respect human between the North and South

Tuesday.

However, it added growth projec-

The review also warned that any worsening of the situation in the Middle East, with the possibility of a US-led war against Iraq, could further hamper growth.

plan should not "interfere with the Worsening Middle East tensions The government unveiled an agenda late last month for banking reforms aimed at restoring health to

The government said it will consider ways of injecting public funds into banks to strengthen their capital, which will be eroded by any acceleration of bad debt write-offs.

end the day at 9,205.11, well off its high of 9.320.11. The Topix index of all first section issues ended up 2.46 points at 890.76. Hong Kong: Share prices in Hong Kong closed 0.2 percent higher led by gains in Chinese telecoms stocks in an otherwise lacklustre market. The key Hang Seng index gained 21.85 points to close at 10.227.01

down 0.4 percent as banks followed the decline in Wall Street's key index and a fresh terrorist alert hit airline stocks. The benchmark SP/ASX 200 index fell 11.2 points to 3,072.6 while the All