US delays ruling on new China textiles quotas

AFP, *Washington*

The US government put off a decision Friday on slapping extra quotas on a variety of Chinese garment imports pending new negotiations with China to resolve a textiles trade row.

The US Committee for the Implementation of Textile Agreements said it was extending until November 30 a review on whether quotas are needed to limit four categories of Chinese textiles imports.

The decision came after the United States and China this week failed to clinch a comprehensive agreement to regulate their textiles trade. Further talks are planned for October.

"We have made progress in our consultations with the Chinese government and will meet again soon to continue those consultations," Deputy Assistant Secretary of Commerce and CITA chairman James Leonard said in a statement.

"Today's action demonstrates our intent to consult in good faith, but we will not accept a bad deal for US industry," he said.

The four categories of Chinese imports are cotton and man-made fibre sweaters; cotton and man-made fibre dressing gowns and robes; men's and boys' wool trousers; and knit fabric.

A coalition of US textiles manufacturers requested so-called safeguards to limit Chinese imports in the four categories after complaining they had rocketed following the end of global textiles quotas on January 1.

CITA has already postponed a ruling on the request twice while negotiations are pursued with China.

But the inter-agency committee has ruled favourably on US industry requests for safeguards on nine other Chinese import categories this year.

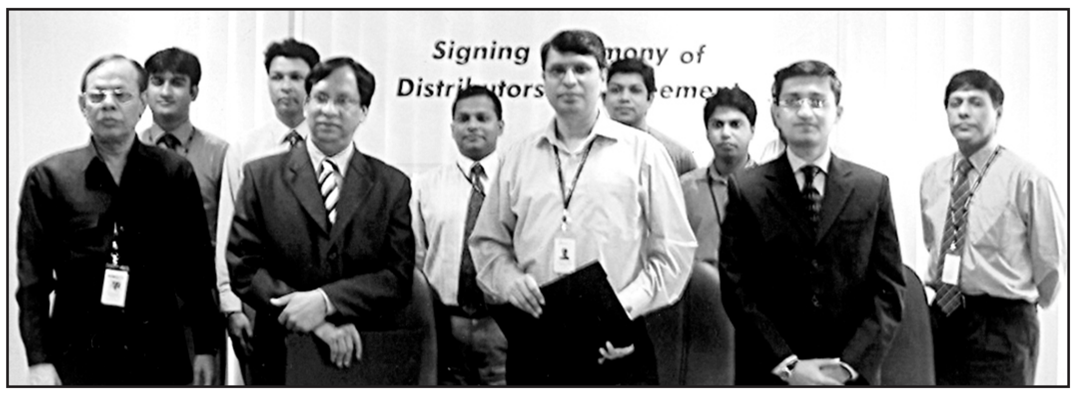

PHOTO: RANKS TELECOM

Zakaria Swapan, chief operating officer of Ranks Telecom (RanksTel) Ltd, a concern of Rangs Group, and Md Altaf Hossain, executive director of Limo Traders Ltd, pose for photographs after signing an agreement recently in Dhaka. Under the deal, Limo Traders will distribute RanksTel products throughout the country.

ROK export data boosts rates hike chances

REUTERS, *Seoul*

South Korean exports in September rose a stronger-than-expected 18.7 percent from a year earlier to a record, the fastest pace in 10 months, government data showed on Saturday, bolstering expectations for an interest rate rise.

Exports rose to a provisional $24.72 billion in September from $20.83 billion a year before, while imports increased 24.5 percent to $22.65 billion from $18.19 billion, the commerce ministry said in a statement.

The annual exports growth was the highest since a 26.5 percent rise in November last year and compared with the median forecast from a Reuters poll of eight economists for a 15.1 percent gain. Imports had been forecast to grow 20.6 percent.

Sharp growth in mobile phone exports amid the recovering global information technology industry led the month's total sales abroad, more than offsetting a drop in auto exports due to strikes by unionised workers, the commerce ministry said.

It did not give detailed export figures by product.

Unionised workers at the country's top auto maker, Hyundai Motor Co Ltd, and its affiliate Kia Motors Corp had stopped work for several hours each day between late August and early September.

Investors have been anticipating the first rise in South Korean interest rates since May 2002 as early as this month after the central bank governor said in September that a rate rise would be seriously considered at an October 11 policy meeting.

PHOTO: AKTEL

Ahmad Bin Ismail, managing director, and Vijay Watson, chief operating officer of AKTEL, jointly receive the ISO 9001:2000 certificate from Md Ataur Rahman Khan, country manager of Moody International Bangladesh Ltd, a UK-based certification body, at a function in Dhaka recently. The mobile phone company got the certificate in recognition of its quality management system.

DISPUTED GAS FIELDS

Japan, China end talks without agreement

AFP, *Tokyo*

Japan and China ended two days of high-level talks on exploring energy resources in a disputed area of the East China Sea without agreement Saturday but decided to meet again this month, a Japanese official said.

The Asian economic giants, two of the world's biggest energy importers, have been sparring for years over potentially lucrative gas fields in an area where their 200-nautical-mile exclusive economic zones overlap, and had already held talks on the issue twice in the past 12 months.

The Japanese side proposed joint gas and oil development in the area straddling both sides of what Tokyo says is the maritime boundary, said Japan's chief delegate Kenichiro Sasae.

"The Chinese side responded that it would sincerely study the proposal and state its view at the next round in Beijing," said Sasae, head of the foreign ministry's Asian and Oceanian affairs bureau.

China does not recognize the boundary, while Japan argues that its neighbor could tap Japanese resources even if it digs from its side.

The dispute heightened last month after Japan said it had spotted flames spouting out of a Chinese drilling facility on China's side of the line. China began test-drilling unilaterally in the East China Sea in 2003.

On the eve of the talks, Beijing said it had sent warships to the disputed area. Chinese warships were also sighted near the gas field for the first time on September 9, two days before Japan's general election. China said they were on a routine exercise.

A Japanese survey in 1999 estimated that the disputed field held a massive 200 billion cubic meters (seven trillion cubic feet) of gas.

Malaysia, Pakistan sign trade pact

AFP, *Kuala Lumpur*

Malaysia and Pakistan on Saturday signed a trade pact ahead of a wider free-trade agreement as part of efforts to boost economic ties between the two majority-Muslim nations.

The "Early Harvest Progra-mme" was signed by Malaysian Trade Minister Rafidah Aziz and Pakistan's Privatisation and Investment Minister Abdul Hafeez Shaikh as part of Prime Minister Shaukat Aziz's visit to Malaysia.

"Malaysia and Pakistan agreed to pursue an Early Harvest Programme aimed to deliver benefits to the private sector of both countries ahead of the FTA as well as to provide impetus for an early conclusion of the FTA negotiations," Malaysia's trade ministry said in a press release.

Under the Early Harvest Programme, which will be effective from next January, Pakistan and Malaysia will grant reduced tariffs on 125 and 114 export items respectively.

The initiative will expire upon implementation of the FTA, or March 31 2007, whichever is earlier, it said.

Among the Pakistani products affected are machinery, mechanical equipment, plastic products, chemical products, rubber and timber products. Malaysia's list of goods include textile and clothing, agricultural products and jewellery.

Malaysia and Pakistan will continue negotiations to conclude the FTA by mid-2006, the ministry said.

The two countries had decided to negotiate a bilateral FTA during a visit to Pakistan by Malaysian Prime Minister Abdullah Ahmad Badawi in February 2005.

In 2004, total trade between Malaysia and Pakistan amounted to 2,870.9 million ringgit (762 million dollars).

Among Malaysia's major exports to Pakistan are palm oil and palm oil products and telecommunications equipment.

PHOTO: MRDI

Moazzem Hossain, editor of the Financial Express, speaks at a roundtable titled "Corporate Governance: Bridging Corporate Sector and Media" in Dhaka yesterday. Shyamal Dutt, acting editor of the daily Bhorer Kagoj, and Hasibur Rahman, executive director of Management and Resources Development Initiative (MRDI), a non government organisation, are also seen.

World's biggest banking group launched in Japan

AFP, *Tokyo,*

The world's biggest banking group in terms of assets was launched in Japan on Saturday through the merger of Mitsubishi Tokyo Financial Group Inc. and UFJ Holdings Inc.

The creation of Mitsubishi UFJ Financial Group Inc. (MUFG) reduced to three the number of Japan's major banking groups with the other two being Mizuho Financial Group Inc. and Sumitomo Mitsui Financial Group Inc.

MUFG's total assets are estimated at 190 trillion yen (1.7 trillion yen) with the number of accounts totaling some 40 million.

But the merger of the core banking units of the two groups, the Bank of Tokyo-Mitsubishi and UFJ Bank -- has been postponed by three months to January 1 to allow more time to fully integrate their computer systems.

"MUFG aims to be a premier, comprehensive, global financial group that is competitive worldwide," MUFG chairman Ryosuke Tamakoshi and president Nobuo Kuroyanagi said in a statement.

They also pledged to realize the company's "aspiration of becoming one of the top five global financial institutions by market value by fiscal 2008."

"The newly created MUFG has a broad and well-balanced network in Japan and overseas, and an extensive customer base," the statement said.

It added, "MUFG is also a truly comprehensive financial group that encompasses subsidiaries in commercial banking, trust banking and securities, as well as top class credit card companies and consumer finance companies, asset management companies, leasing companies and a US bank (Union Bank of California)."

The subsidiaries, including Mitsubishi Trust and Banking Corp. and UFJ Trust Bank as well as Mitsubishi Securities Co. and UFJ Tsubasa Securities Co., were also integrated on Saturday.

In the year to March this year, MTFG posted a consolidated net profit of 338.42 billion yen against UFJ Holdings' group net loss of 554.53 billion yen largely due to bad-loan disposal costs.

The combined balance of the two banking groups was in the red in the year to March this year. But the new group aims to post a net profit of 1.1 trillion yen in the year to March 2009.