

US, SKorea set to sign free trade pact

AFP, Washington

The United States and South Korea are set to sign a landmark free trade agreement to be sent for Congressional approval, but US lawmakers are already saying they will not vote for it.

US Trade Representative Susan Schwab and Korean Trade Minister Kim Hyun-chong are scheduled to ink the pact on Saturday, just before President George W. Bush's "fast track" trade authority expires at midnight.

The Trade Promotion Authority (TPA) allows the Bush administration to negotiate trade pacts that cannot be amended by Congress but lawmakers can still reject them.

"We cannot support the (agreement) as currently negotiated," four powerful lawmakers from the Democratic party which controls Congress said in a statement after the Bush administration confirmed the agreement signing.

"Unfortunately, the FTA as currently negotiated is a missed opportunity," said the legislators, including Nancy Pelosi, the speaker of the House of Representatives.

Bush's Republican party lawmakers have also spoken out against the deal.

"I am one of the most ardent free traders in Congress and when I have problems with this, the agreement's got problems," said Republican Donald Manzullo from Illinois.

He vehemently objects to the pact's automobile provisions, which he said did not go far enough in dismantling barriers in South Korea.

Last year, for example, South Korea exported more than 700,000 cars into the United States while the United States exported fewer than 5,000.

The agreement is the biggest free trade deal since the 1993 North American Free Trade Agreement (NAFTA), and the two sides concluded negotiations on the pact on April 1 after 10 months of talks.

US-South Korea goods trade

was valued at 78 billion dollars last year and studies indicate that the FTA will add anywhere from 17 to 44 billion dollars a year to the US economy.

Washington believes if the trade agreement is approved, it could trigger a wave of trade liberalization and economic reform throughout Asia, where it has such pacts only with Singapore and Australia at present.

South Korea is the seventh largest trading partner of the United States and a top military ally in Asia.

"From an economic standpoint, the potential benefits of the FTA to America's workers, farmers, manufacturers, and service suppliers are undeniable," deputy US Trade Representative Karan Bhatia told a Congressional hearing recently.

But lawmakers, including Hillary Clinton, the top Democratic presidential contender, reject the argument.

Clinton had said the agreement was "inherently unfair" and would increase the US trade deficit, cost

good middle-class American jobs and make America less competitive.

US lawmakers are also threatening to kill the deal if South Korea does not fully open up its beef market.

"I will not support this FTA until it does," said Democratic Senator Max Baucus, who heads the Senate's finance panel, which has jurisdiction over US trade policy and considers all FTA's for presentation to the full Senate.

South Korea, once the third-largest market for US beef, last year lifted a three-year ban imposed to keep out mad cow disease. But it agreed to accept only shipments of boneless meat.

It gave an assurance earlier this year that it would consider a wider opening of its beef market if the World Organisation for Animal Health (OIE) issued a ruling that mad cow disease was under control in the United States.

The OIE gave the all-clear sign last month.

China protests over US seafood blockade

AFP, Beijing

China has protested to the United States over its "unacceptable" blockade of fish and shrimp imports, a government website said on Saturday.

Li Changjiang, head of the control, quarantine and inspection authority, urged Washington to settle the dispute, which follows rows over Chinese tyres, pet food, toothpaste and cosmetics, as soon as possible.

"China cannot accept the automatic and arbitrary blockade of four types of farmed fish by the United States and the ban on imports of these products," Li told a senior American official, according to the administration's website.

Li, in a telephone conversation with US health secretary Mike Leavitt, urged Washington to "carefully settle the problem as soon as possible," complaining that a blanket ban was not warranted.

According to the website, Leavitt said the United States would send representatives as soon as possible to discuss ways of resolving the dispute.

The broad import control was imposed after regulators repeatedly found seafood shipments contaminated with antimicrobial agents that are not approved for use in the United States, the US Food and Drug Administration said.

Crude oil, lead prices surge higher

AFP, London

World oil prices hit ten-month peaks this week on US supply woes, while lead prices, which were lifted by low global inventories, rocketed to a fresh record high above the price for the traditionally more expensive base metal aluminium.

Oil: World oil prices rallied, with New York crude trading above 70 dollars a barrel for the first time since late August 2006 on supply concerns in the United States, the world's biggest consumer of energy.

On Friday, New York crude struck 70.75 dollars – the highest level since August 28.

"It looks like the US is not out of the woods yet" regarding supplies, said Mitsubishi Corp analyst Tony Nunan.

Crude prices had closed more than a dollar higher on Wednesday after the US Department of Energy (DoE) reported that American gasoline (petrol) stockpiles fell by 700,000 barrels to 202.6 million barrels in the week ending June 22.

World oil prices had begun the week lower, as traders expressed relief at the end of a general strike in Nigeria that had threatened exports from the sixth-biggest crude producer in the world.

Nigerians returned to work last Monday, two days after the country's two main trade unions ended a four-day general strike that had paralysed economic and commercial activities. Brent North Sea crude for August delivery rose to 71.00 dollars a barrel on Friday, from 70.96 dollars a barrel a week earlier.

New York's main oil futures contract, light sweet crude for delivery in August, climbed to 70.25 dollars a barrel, from 69.20 dollars a barrel.

Gold: The price of gold touched a three-month low of 639.50 dollars an ounce on Tuesday – a level last seen on March 14.

On the London Bullion Market, gold dropped to 650.50 dollars an ounce at Friday's late fixing, from 652.85 dollars a week earlier.

Silver: Silver prices shed almost 5.0 percent in value, mirroring gold's losses. The metal sank as low as 12.13 dollars per ounce on Tuesday, marking the lowest point since early January.

On the London Bullion Market, silver slid to 12.54 dollars an ounce at Friday's late fixing, from 13.15 dollars a week earlier.

Palladium and platinum: The

sister metals both fell in the wake of gold and silver, but losses were capped by looming industrial action in key producer South Africa.

On the London Platinum and Palladium Market, platinum fell to 1,273 dollars an ounce at the late fixing Friday, from 1,301 dollars a week earlier.

Palladium sank to 365 dollars an ounce, from 375 dollars.

Base metals: Lead prices surged to another historic peak. Lead hit a record 2,745 dollars per tonne on Tuesday.

Surprisingly, the metal is now more expensive than aluminium.

"It certainly is the first time in recent history, the past 20 or 30 years" that lead has overtaken aluminium in value, said BaseMetals.com analyst William Adams.

The prices of copper, meanwhile, advanced owing to a series of copper strikes in key producers Peru, Chile and Canada.

On Friday, the price of copper for delivery in three months rose to 7,520 dollars a tonne on the London Metal Exchange, from 7,470 dollars a tonne.

Three-month aluminium prices climbed to 2,736 dollars a tonne, from 2,709 dollars. Three-month nickel prices slid to 35,810 dollars a tonne, from 37,550 dollars. Three-month lead prices leapt to 2,645 dollars a tonne, from 2,353 dollars. Three-month zinc prices declined to 3,326 dollars a tonne, from 3,524 dollars. Three-month tin prices firmed to 13,900 dollars a tonne, from 13,875 dollars.

Grains and soy: Grains and soy prices saw mixed fortunes, while next week the focus was expected to fall on weather conditions in major producing nations.

By Friday on the Chicago Board of Trade, the price of maize for September delivery sank to 3.41 dollars a bushel, from 3.76 dollars a week earlier.

Wheat for September delivery rose to 6.29 dollars a bushel, from 6.05 dollars.

August-dated soybean meal – used in animal feed – increased to 8.66 dollars, from 8.04 dollars.

On the LIFFE, London's futures exchange, the price per tonne of wheat for November delivery advanced to 117.50 pounds, from 112.75 pounds.

Sugar: Sugar prices were firm after recent losses that were triggered by an abundance of sugar, traders said.

According to Davies, the market

found some support from a wave of speculative buying.

By Friday on the LIFFE, the price per tonne of white sugar for August delivery stood at 320.50 dollars, from 319.40 dollars a week earlier.

On the NYBOT, the price of unrefined sugar for July delivery firmed to 9.17 US cents a pound, from 9.15 cents.

Rubber: The price of rubber dropped on improved supplies from key producing countries.

"The reasons are mainly due to the raw material coming in, since the weather is good so there is improved supply of raw material from Thailand and Vietnam," said an official with a rubber producing company.

On Friday, the Malaysian Rubber Board's benchmark SMR20 fell to 208.38 US cents per kilogramme, compared with 213.08 US cents last week.

Kuwait oil minister steps down

AFP, Kuwait City

Kuwait Oil Minister Sheikh Ali Jarrah al-Sabah, who faced a no-confidence vote in parliament over alleged financial irregularities, has stepped down along with the communications minister, official media said Saturday.

Emir Sheikh Sabah al-Ahmed al-Sabah accepted the resignation of Sheikh Ali, who risked dismissal on a simple majority of 25 members of the 50-seat parliament in the July 9 vote, the official KUNA news agency said.

The emir also "accepted the resignation of Communications Minister and State Minister for National Assembly Affairs Sharida al-Mesherji," the news agency added.

Opposition MPs have accused Sheikh Ali of involvement in the multi-million dollar Kuwait Oil Tanker Company fraud case in which former oil minister Sheikh Ali Khalifa al-Sabah and four other top KOTC officials are accused of stealing more than 100 million dollars. They have denied any wrongdoing.

The minister had faced nine hours of questioning in the Kuwaiti parliament last Monday.

11,660 new millionaires in Singapore

ANN/ The Straits Times

Singapore's population of United States dollar millionaires surged by a staggering 21.2 per cent last year to 66,660 – the fastest growth of any nation in the world.

The dramatic boost in the membership of this once highly exclusive club came amid a booming stock market, strong economy and the start of the property rebound last year.

This is the second time in three years that the Republic has posted the highest growth globally in the annual World Wealth Report compiled by Merrill Lynch and research firm Capgemini.

About 11,660 newly minted millionaires joined the ranks here last year, the survey of the well-to-do in 71 countries has found. A million greenbacks currently converts to about S\$1.54 million.

"Singapore is a little boat of 4.5 million people that floats very nicely when the global economy is doing well," said Merrill Lynch's chief Asia strategist and senior director Mark Matthews yesterday (June 28). "The country's growth has accelerated – not only economic growth, but also savings."

The 66,660 millionaires account for about 1.5 per cent of the population. This means three out of every 200 people here are millionaires.

To qualify, these well-heeled types must have a million bucks in assets not counting that widely used barometer of wealth – the home. Other investments in real estate are included.

Singapore was followed closely by India with 20.5 per cent growth, Indonesia (16 per cent) and Russia (15.5 per cent). Asia was home to some of the fastest-growing millionaire markets, occupying five out of the top 10 spots – a repeat of 2005.

The number of millionaires in the region pushed their combined wealth up 10.5 per cent to US\$8.4

trillion. This was largely driven by strong expansion of the China and India economies, robust foreign direct investments and growing confidence in Asia.

In 2005, Singapore ranked eighth, having posted 13.4 per cent growth. It also took top spot in 2004 with a 22.4 per cent rise.

Last year, the main driver of this growth came from the increase in the total value of stock market shares, up 49.3 per cent after an 18.3 per cent rise in 2005. Other factors included low inflation, low taxes and a rise in savings.

The report also showed that wealthy investors worldwide had shifted more money into property, lured by high returns from commercial real estate investments. This was most evident in the Asia-Pacific, with 29 per cent of assets of the wealthy held in property, up from 16 per cent a year earlier.

Matthews said the biggest threat to this boom in wealth would be an unexpected slowdown in the Chinese economy.

Here, the growth in the ranks of millionaires is expected to continue this year, as property prices surge and more expatriates make Singapore home, industry experts say.

Said CIMB-GK economist Song Seng Wun: "The en bloc sales have made some people instant millionaires."

Added Ku Swee Yong, director of marketing and business development at Savills Singapore: "This growth is not surprising, given the rise in the equity market."

"I expect more middle and senior management executives to join the millionaire ranks this year, as the equity market continues to surge."

"The expansion of the private wealth business here is expected to continue, and we'll see more wealthy people relocating here as a result."



Md Yeasin Ali, managing director of Dutch-Bangla Bank Ltd (DBBL), and S Renganathan, country manager of Commercial Bank of Ceylon (CBC) Ltd, exchange documents after signing an agreement for sharing ATM network at a function in Dhaka recently. Under the deal, customers of CBC will be able to withdraw money from the ATM (automated teller machine) booths of DBBL. Other senior officials of both the banks were present at the signing ceremony.



Monwara Hakim Ali, president of Women Chamber of Commerce, speaks at a seminar on Monday, organised to mark the opening of a separate booth for share trading for women investors. Salta Capital Ltd, a brokerage house of Chittagong Stock Exchange (CSE), organised the seminar where Nasiruddin Ahmed Chowdhury, first vice president of CSE, among others, was present.