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A Singapore Press Holdings publication 60 Cents

US economy grew
8.2%
in third quarter

MONEY A10



Malay Chamber gets
first woman president

MONEY A13



The Shah who is king

Shah Rukh Khan is not afraid of upstarts stealing his position as Bollywood king because "I'm the best actor".

IN LIFE!

Design: LEE CHEE CHEW Photos: NOORIS CONSULTANTS and A MAGNA PUBLICATION

By CHUA CHIN HON
THE STRAITS TIMES
CHINA BUREAU

BEIJING — A week after imposing quotas on textile imports from China, the United States slapped anti-dumping duties on Chinese-made colour television sets as trade tension between the two nations continued to flare up.

The US Commerce Department on Monday accused television manufacturers in China and Malaysia of dumping television sets in the American market, or pricing them below market value.

While no ruling was made on Malaysia, Washington imposed provisional anti-dumping duties at between 28 and 46 per cent on four Chinese companies: TCL International Holdings, Sichuan Changhong Electronic, Shenzhen Konka Group and Xiamen Overseas Chinese Electronic.

US slaps anti-dumping duties on Chinese TVs

Washington's latest move could affect US\$480 million worth of Chinese TV sets

Chinese officials said they saw some room for negotiation before Washington announces the final duties next April, though news of the US decision caused shares of the four Chinese TV makers to slump yesterday as fears their already-low profit margins would be squeezed further.

China exports most of its household electrical appliances to the US market, and Washington's latest move could affect US\$480 million (S\$830 million) worth of Chinese-made colour TV sets, according to a Bloomberg report.

"The US decision will hurt

the Chinese companies and American consumers, and benefit no one," said economist Shen Jiru of the Chinese Academy of Social Sciences.

"If these Chinese companies are indeed selling their products below market price, they would be bankrupt by now."

In a statement, China's Ministry of Commerce said most of the TV sets exported to the US were assembled in China with parts imported from countries like Japan and the US itself.

Washington's decision was "perplexing, unless the US also believes that these coun-

tries are dumping television parts on China as well", it said.

Despite Beijing's cryptic warnings lately that it reserved the right to take "further action", analysts here do not see a full-blown trade war erupting, and remained hopeful that Chinese Premier Wen

Jiabao would broker a more amiable way of resolving these trade skirmishes in his upcoming visit to Washington.

Central to the escalating trade tension between the world's largest and fifth largest trading nations is the US claim that the Chinese currency, the yuan, is undervalued.

Some US officials and businessmen contend that the weaker yuan is giving Chinese exports an unfair advantage, resulting in millions of manufacturing jobs being wiped out in the US and a ballooning trade deficit expected to reach US\$120 billion this year.

But a growing consensus among even non-Chinese economists and knowledgeable observers dismisses that as unfounded.

When Washington announced last Tuesday that it would impose quotas on imports of Chinese-made knitted fabrics, bras and dressing gowns, following complaints from the US textile industry, analysts warned that Washington would be hard pressed to ignore similar complaints from other industries.

The US Commerce Department's latest salvo comes in response to complaints filed by American television maker Five Rivers Electronic Innovations and two trade unions which claimed that imports from China and Malaysia had surged from 210,000 units to 2.65 million units between 2000 and 2002.

There is widespread speculation in media reports here that Chinese-made furniture will be next on Washington's hit-list.

While defending China's low-cost manufacturing base, Professor Shen said the mounting trade row also held lessons for Chinese companies.

He added that Chinese manufacturers had to come up with different competitive strategies, instead of relying on their traditional tactic of competing on lower price.

"Chinese manufacturers should not compete endlessly on price alone," he said. "That's not sustainable in the long run. They should instead think about how they can compete in research and development of products, or promotions."

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Video of missile strike on DHL jet given to media

Footage of Baghdad attack left at hotel for journalist

BAGHDAD — A video showing a masked militant firing the missile that hit a DHL civilian cargo jet over Baghdad, setting its engine ablaze in the first successful hit on a plane of the seven-month-old insurgency, was delivered to a French journalist and shown to AFP on Monday.

The six-minute-long footage, received by correspondent Sara Daniel of the Paris-based weekly *Le Nouvel Observateur*, shows 10 militants, with their faces concealed by chequered keffiyeh head-dresses or white scarves, carrying out the attack from scrubland south of the capital.

The shoulder-launched missile is seen shooting up into the sky and homing in on the Airbus-300 freighter. The vapour trail makes a sharp U-turn as the missile homes in on the infra-red or radio signals from the scheduled Baghdad to Dubai courier flight.

The militants are then seen making their getaway in a car. The 11th person, who presumably shot the footage, filmed his own lap in his haste

to get into the vehicle.

After a break, the video resumes with footage of the stricken airliner diving back down to Baghdad airport.

The men, clad in flowing black *abayas* or camouflage fatigues, carry rocket-propelled grenade launchers or Kalashnikovs as well as two portable missile launchers. Only one missile is seen being fired.

Before the attack, a US army helicopter is seen hovering in the middle distance, but the militants have clearly chosen their target and leave the military aircraft alone.

Tall grass partially obstructs the view of the chopper. It is unclear whether it is the undergrowth that prevents the soldiers aboard from spotting the militants, or the three cars they have parked on a dusty path.

The missile launcher is an SA-14 Gremlin, not an SA-7 Grail as initially reported by the US military. The SA-14 has a range of 2,000m when used against an approaching jet, although this is extended to 4,500m when used against a helicopter or propeller-driven aircraft.

Ms Daniel said the video had been left at her hotel on Sunday. She said she had no idea why she had been chosen from the hundreds of journalists covering the insurgency.

"I have been working on a feature on the resistance

groups for several weeks. I've no idea who these people are who carried out this attack but, maybe, they had heard of me through the others I have met while researching my piece."

She said the militants she had met were "Islamic militants who were bitterly opposed to Saddam Hussein's regime and whose only aim now is to end the US occupation".

Nobody was hurt in Saturday's strike but the hit prompted the suspension by the US military of all commercial civilian flights into the capital, severing a key link to the outside world as the coalition tries to rebuild Iraq.

The decision affected both DHL, the only commercial courier to fly into Iraq, and Royal Wings, a subsidiary of Royal Jordanian, that offered the only regular passenger service, albeit not open to all.

The only carrier to fly in now, apart from those of the coalition military and administration, is Air Serv International, a non-governmental organisation that specialises in war zones and offers flights only on the most restricted basis.

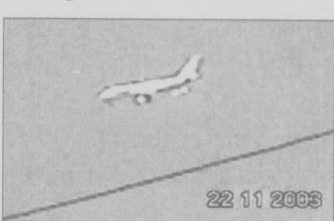
Tens of thousands of surface-to-air missiles were bought by Saddam Hussein's regime, many of which fell into civilian hands after the collapse of his forces during the US-led invasion. — AFP



PHOTOS: AFP



Pictures from above (anti-clockwise) show sequential shots of television footage taken from a videotape given on Sunday to French journalist Sara Daniel. The footage shows a masked militant firing a missile at a DHL cargo jet, setting its engine ablaze and forcing it to make an emergency landing.



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