

WTO talks on global trade accord going on

New US offer to open financial market to foreign competition

WASHINGTON, July 15: The US government yesterday held out the prospect of expanded market access to foreign banks, securities firms and insurance companies in an effort to achieve similar benefits for American companies in global markets, reports Xinhua.

A new offer for the access was submitted yesterday to the World Trade Organisation (WTO) in Geneva where negotiators are trying to achieve a global trade agreement covering the world financial services

market of more than 40 trillion dollars by a December 12 deadline.

US Treasury Secretary Robert Rubin and US trade representative Charlene Barshefsky described the new proposal as a good-faith offer to open the vast American financial services market to foreign competition in exchange for other nations extending the same market access to US firms.

"With this offer, we are underscoring that the United States is fully committed to

reaching a successful conclusion to the WTO negotiations," Rubin and Barshefsky said in a joint statement.

The statement also said "It is critical that our trading partners, especially the key emerging markets, submit significantly improved offers that establish a level playing field for US firms to compete effectively."

The United States stunned other countries two years ago when it walked away from a fi-

nancial services deal on the grounds that the offers from other countries, primarily emerging nations in Asia, were not sufficient.

The US market is substantial one with assets in American banks, securities firms and other financial institutions totaling 26.5 trillion dollars. The Clinton administration was under heavy pressure from American financial institutions to pull out of the talks two years ago because of insufficient offers from other nations.

Huge natural gas reserves found in Pakistan

ISLAMABAD, July 15: Test drilling by a gas company shows huge natural gas reserves in southern Sindh province, the state-run Associated Press of Pakistan reported Monday.

The Mari Gas Company said initial tests at a drilling site in rural Sindh produced 85 barrels of commercial quality gas a day, the report said.

Company officials said they believed reserves in Ghotki, 1200 kilometres (720 miles) south of Islamabad, could produce up to 1.25 trillion cubic feet (3 billion cubic metres) of natural gas.

The company is testing other potential well sites at the Ghotki fields, the APP reported.



Sri Lankan High Commissioner in Bangladesh S B Atugoda briefing the members of the Dhaka Chamber of Commerce and Industry at the DCCI auditorium Sunday about Sri Lanka Expo '97 to be held from November 8-11, 1997 in Colombo. DCCI President A S M Quasem is also seen in the picture.

Big banks, brokers, insurers must ensure global financial system: Study

NEW YORK, July 15: Big banks, brokers and insurers — not governments — should take the lead in adopting safeguards against rogue employees, poor managers or failed controls that threaten the global financial system, a prominent group recommends, reports AP.

A study released Friday by leading international public and private officials warned the sweeping and fast-paced changes in commercial and investment banking pose a risk to financial stability.

The threat of serious disruption to the international financial system may be small, but is nonetheless a serious concern," said the report by the Group of Thirty, which was released at the Federal Reserve Bank of New York.

Shocks sufficient to disrupt the international financial system may arise in individual countries or from the institutions, markets or the clearing and settlements mechanisms that link them, it said.

Officials cited Mexico's financial crisis in 1995, which spilled over into other countries. Barings Bank, Britain's oldest investment bank, was brought down by bad bets a rogue trader made on Asian markets.

In the past, central banks have often rushed in, on a case-by-case basis, to help a faltering institution or ease a financial crisis.

But the report said it will be more difficult in the future for central banks to help on an ad hoc basis. It would be better, it said, "to establish policies and procedures to prevent and contain crises."

The report urged leading financial institutions to shoulder much of the burden of guarding against these threats.

The buck really stops with particular firms to make cer-

tain that the controls are in place," said Lord Alexander, chairman of Britain's NatWest Group and co-chairman of the panel that drew up the study.

The group didn't identify what is considered "core institutions" needing to ensure safeguards are in place. But it surveyed 66 major financial businesses, ranging from Generale Banque of Belgium and Banque Indosuez of France to Chase Manhattan, Goldman Sachs and Metropolitan Life in the United States.

The report also called for independent global audits of these companies and urged banking and other government regulators to try to coordinate their work across national borders. According standards, for example, vary so widely around the globe that businesses and consumers have a difficult time judging some companies' financial conditions.

The report was spurred by the tremendous changes underway in the world financial system.

Banks, brokerages and insurance companies are often combining some activities and expanding rapidly to far-flung corners of the world. Securities trading and currency swapping, once limited to certain hours in key capitals, can now occur around the clock worldwide.

The institutions active in international markets are becoming larger and more complex, the report said.

It cautioned that institutions and markets have "have outgrown the national accounting, legal and supervisory systems on which the safety and soundness of individual institutions and the financial system rely."

"This is a new world in which we are operating," said John Heimann, a former US banking regulator and now chairman of global financial institutions at Merrill Lynch.

Among the report's recommendations are:

— Establishment by leading financial institutions of a committee to draw up global principles for managing risk at the firms. It would cover monitoring and management of risk as well as internal controls. It would provide the basis for evaluating companies' operations.

— Agreement by these financial institutions to submit their global operations to independent audits of their financial performance and management controls. They should agree on consistent disclosure of financial and risk information.

— Agreement by bank and other government regulators on a lead agency for monitoring global firms and set consistent reporting requirements for those firms.

London, Frankfurt stock markets go record high

LONDON, July 15: The London and Frankfurt stock markets jumped on Monday, both closing at a record high, while the Paris bourse was taking a holiday for Bastille Day, reports AFP.

The London market jumped into record territory as the Footsie Index finished at 4,857.2 points, its highest closing level ever. The new reading was up 57.7 points or 1.20 per cent from the Friday close.

Traders said the market was encouraged by a strong Wall Street and a UK producer price index for June that was better than expected.

ICI, which announced sale to DU Pont of some basic chemical subsidiaries for 1.8 billion pounds, jumped by 69.5 pence on the day to end at 880. British Telecommunications gained 16 pence to 456.5.

The Frankfurt stock market skyrocketed, the Dax index finishing the official session at its highest closing level ever, 4,124.19 points, up 2.06 per cent from 4,040.97 at the official close on Friday. The previous record-high close was 4,055.86 points, reached last Wednesday.

The main reasons for the strong performance was the dollar's gains against the mark and Wall Street's rise on Friday, traders said. (Frankfurt closed on Monday before Wall Street opened).

Madrid stocks also posted a strong gain in very active trading to get back close to the exchange's all-time high, as the market was encouraged by a higher Wall Street opening and gains on the Madrid bond market, traders said after the close.

The general index tacked on 4.93 points or 0.79 per cent to end at 628.10, only 0.05 of a point below its all-time high record close reached at the start of last week.

In Brussels, the bel-20 moved up by 0.36 per cent to 2,501.32 points in sustained trading.

Amsterdam stocks were boosted by a stronger dollar and a shortage of stock, traders said, as the ex indicator gained 1.25 per cent on the day to end at 948.17 points. Trading was quiet, though volume reached a substantial 5 billion guilders (2.5 billion dollars).

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Violating ban on UK beef: 2 meat plants closed

LONDON, July 15: The government said Monday it had closed two meat plants suspected of violating an export ban on British beef that was imposed during the "mad cow" crisis, says AP.

Evidence is coming to light that some UK-based companies may have been exporting UK beef," said Agriculture Minister Jack Cunningham in a statement. "I am determined to crack down hard on anyone who runs risks with public safety," Cunningham added.

He said he had ordered an "immediate" end to operations at the two sites following investigations by ministry officials and the anti-fraud unit of the European Union's executive arm.

"I am serving notice on two companies requiring them to stop the relevant business immediately," he said.

Cunningham gave no further details two plants.

"We have been working on this for a number of weeks and action has been taken as soon as possible to prevent any further activities taking place," said a spokesman for the ministry, speaking on terms of customary anonymity. "The investigation is continuing."

In 1996, the European Union banned British beef exports and ordered London to accelerate the eradication of mad cow disease through a massive slaughter programme.

Scientists believe there may be a link between that degenerative ailment and a new strain of the fatal human brain ailment Creutzfeldt-Jakob Disease.

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Monday and also above its late

New York level of 114.05 yen overnight.

TOKYO, July 15: The US dollar jumped against the yen Tuesday after an influential Finance Ministry official dismissed concerns about Japan's trade surplus, reports AP.

Eisuke Sakakibara said Japan's trade surplus will not put upward pressure on the yen and that the foreign exchange market has excessive expectations for a higher yen.

"I don't think this is justified by the facts," Sakakibara said in an interview with the AP Dow Jones.

The comments from Sakakibara, who was appointed vice

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Emirates voted top ME airline

The following are the Janata Bank's dealing rate (BD Tk for one unit of Foreign Currency) to public as on 15/7/97:

Buying			
	TT	OD	TT
Currency	Clean	Sight	Transfer
US Dlr	43.5200	43.3522	43.2386
GB Pound	73.0856	72.7868	72.5959
D Mark	24.1537	24.0549	23.9919
F Franc	7.1539	7.1247	7.1060
JP Yen	0.3783	0.3767	0.3757
C Dlr	31.6709	31.5414	31.4587
S Franc	29.4726	29.3521	29.2751

Selling			
Name of	T.T. & O.D.	B.C.	
Currency	TT	OD	
US Dollar	43.8120	43.8650	
GB Pound	74.1589	74.2433	
D Mark	24.5634	24.5913	
F Franc	7.2736	7.2818	
JP Yen	0.3872	0.3877	
C Dollar	32.2019	32.2385	
S Franc	29.9762	30.0102	

Janata Bank's selling and buying rates in cash currency for public:

Buying		Selling	
US Dlr	44.1000	43.6000	44.1000
GBP	73.1600	71.1600	
S Riyal	11.7000	11.3500	
UAE Dh	11.8500	11.3500	
KWU DI	143.5000	138.0000	

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