

APEC nations fail to reach tariff cut deal

KUALA LUMPUR, Nov 15: Pacific Rim nations failed on Sunday to reach an agreement on the terms of a massive trade pact to cut tariffs in nine key industries, reports AP.

The 21 members of the Asia-Pacific Economic Cooperation forum said they would not submit the trade proposal to the World Trade Organisation for resolution. The pact would lift tariffs on US\$ 1.5 trillion in global trade.

Trade and foreign ministers from the APEC meeting over the weekend in the Malaysia capital had hoped to conclude the pact for APEC leaders to sign during their summit meeting Tuesday and Wednesday. But the leaders will now be requested to approve a ministers' statement asking the WTO to try to do that instead.

"I think the financial crisis has had a chilling effect on the package that we put together last year," said Canadian Trade Minister Sergio Marchi.

"There's not enough of a critical mass here. So the package essentially goes to the WTO, and ultimately to New Zealand," where APEC leaders will meet next week, Marchi said.

APEC leaders in Vancouver, Canada, last year agreed to re-

duce tariffs in nine sectors by 2002, as a start toward APEC's ultimate goal of free trade in the Pacific by 2020.

But that was before Japan and the United States, the world's two largest economies, began arguing over some provisions.

Japan has refused to cut border taxes in two sensitive areas — forestry products and fish — at a time when its economy is in its worst recession since World War II.

The United States believed that Japan had to be on board in all nine sectors to give the pact weight. Washington had argued that it would send a strong signal that Asia was not turning protectionist, despite its worst economic crisis in 50 years.

"If Japan does not participate in those two sectors, then the ministerial and heads-of-state meeting would be viewed as a failure and Japan would be responsible for that failure," Deputy US Trade Representative Richard Fisher had said in Washington two weeks ago.

Nevertheless, the Philippines Foreign Minister Domingo Siazon, said it was unfair to characterise the lack of an agreement as a failure.

"What you cannot finalise here, you pass onto the WTO," Siazon said.

That Foreign Minister Surin Pitsuwan also refused to call the trade pact a setback because Japan was not fully on board.

"In the spirit of realism, APEC has reached a decision that everybody can live with," he said. "We will have to count on it as another success that we can build on at the next APEC meeting."

APEC comprises Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Peru, Philippines, Russia, Singapore, Taiwan, Thailand, the United States and Vietnam.

In other developments Sunday, the 21-nation Asia-Pacific Economic Cooperation summit was nearly sidelined by America's efforts to gain widespread support for a possible military attack on Iraq for expelling UN weapons inspectors.

And demonstrators hit the streets for the second day running, demanding the resignation of Malaysian Prime Minister Mahathir Mohamad and siding with Anwar Ibrahim.

Mahathir fired his deputy

and finance minister, then had him jailed after Anwar led a reform movement.

Canadian Trade Minister Sergio Marchi said the APEC forum had failed to reach an agreement slashing tariffs in nine key industries worth US\$ 1.5 trillion in global trade.

"I think the financial crisis has had a chilling effect on the package that we put together last year," said Marchi.

"There's not enough of a critical mass here. So the package essentially goes to the WTO, and ultimately to New Zealand," where APEC leaders will meet next week, he said.

US President Bill Clinton had been scheduled to leave Washington late Saturday for the APEC summit, he decided to send Vice President Al Gore in his place so the president could deal with the Iraq crisis at home.

Clinton regretted the decision because he "has taken a personal interest in the Asian financial crisis and has pushed all around him to be imaginative and to look for a solution and new ideas," said US Secretary of State Madeleine Albright, who arrived in Kuala Lumpur late Saturday night.

Mahathir said he regretted

Clinton would not attend the APEC summit, saying he would have liked the American president to see for himself that the streets of the capital were calm.

But another protest erupted in the city soon after the speech by Mahathir, who has become famous for the capital controls he has used to stabilise Malaysia's markets.

Riot police sprayed water canisters to break up a noisy protest by 200 people demanding Mahathir's resignation. On Saturday night, 3,000 people demonstrated in another area of the city, and marched toward the hotel where the US delegation is staying, screaming "Clinton, save us from Mahathir!" Several undercover policemen fired shots in the air, but no serious injuries were reported.

Protesters have been calling for Mahathir's ouster since he fired and later jailed Anwar, his one-time portage.

In a speech Sunday to international business leaders attending a meeting on the sidelines of the APEC forum, Mahathir took aim at Clinton over the standoff with Iraq's Saddam Hussein.

"I always hoped we could settle such problems with nego-

tiations," Mahathir said. "Iraq is not an easy country, but lobbing bombs and grenades will not do anything to solve this problem."

China's Foreign Minister, Tang Jiaxuan, also refused to support US military action, saying China was only willing to urge Iraq to reconsider its action and cooperate with the UN weapons inspectors.

Other top APEC officials said they hoped the US-Iraq showdown would not overshadow the summit.

"The situation in Iraq could take... focus away from the attention that we have on the resolution of the economic crisis in the region," said Thailand's Foreign Minister Surin Pitsuwan. "Resources could be diverted there, so it affects everybody."

Mahathir has had to face many setbacks surrounding the economic summit that was supposed to showcase his leadership and the enormous economic progress in the Southeast Asian nation.

Clinton and Canadian Prime Minister Jean Chretien have said they would refuse the customary courtesy calls on the host of the APEC summit, angered by the treatment given Anwar.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT & OD
USD	48.7050	48.7450	48.3100	48.1570	48.0850
GBP	81.3763	79.9917	81.4431	79.7384	79.6191
DEM	29.0429	28.5520	29.0668	28.4616	28.1490
JPY	0.3991	0.3911	0.3995	0.3898	0.3893
FRF	8.7277	8.4599	8.7349	8.4331	8.4205
SAR	13.0206	12.8453	13.0313	12.8046	12.7855
MYR	12.4497	12.3457	12.4610	12.2562	12.2865
AED	13.2972	13.1167	13.3081	13.0751	13.0556
KWD	166.3138	154.1727	166.4504	153.6844	153.4546

Bill buying rates:

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6967	45.8945

US dollar London Interbank Offered Rate (LIBOR) as of November 15, 1998

Cash	1 Month	3 Months	6 Months	9 Months	12 Months
48.0850	48.7050	5.25	5.40	5.1875	5.90625
48.0850	48.7050	7.00	6.9375	6.69	6.50

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.334238	56.857500	36.933703	3.800028002	79258025	13161316

Amex notes on Sunday's market

USD/BDT market was moderately active on Sunday as the big market players did not participate in the market due to weekend in most of the international centres. USD/BDT mostly traded within range of 48.6500-48.6550.

Call money market was steady and call rates hovered around 6.00%-6.50%. There was maturity of Treasury bills worth Tk 7.46 billion today, as a result the market was very liquid. Government accepted Treasury bills worth Tk 7.805 billion on Sunday. Treasury bills for 28 days was accepted worth of Tk 7.75 billion at 8.29 per cent as cut off yield and Treasury bills for 91 days was accepted worth of Tk 55 million at 9.00 per cent as cut off yield.

In New York on Friday, dollar/mark ended lower as Iraq tension eased, while a rebound in mark/yen and lingering doubts about Japan's latest stimulus package lifted dollar/yen. Dollar eased against the mark after Iraqi news reported President Saddam Hussein told a Russian envoy that the country was ready to react positively to initiatives that meet legitimate demands.

In New York, the majors closed on Friday against the USD at 1.6840/6850 DEM, 122.73/122.83 JPY, 5.6475/6505 FRF, 1.3665/3875 CHF, and GBP at 1.6628/6638 USD.

The following are the Sonali Bank's D.Mark 29.0865 29.0931 dealing rates (BD Tk for one unit of F Franc 8.6682 8.6753 Foreign Currency) to public as on 15th C Dollar 31.6152 31.6409 S Franc 35.3069 35.3355 Nov 98. JP Yen 0.4008 0.4012

Buying

Name of Currency	TT Clean	OD Sight	OD Export Bills	OD Transfer
US Dir	48.3500	48.2600	48.0600	48.0600
GB Pound	79.9944	79.6800	79.5146	79.5146
D Mark	28.5509	28.4387	28.3796	28.3796
F Franc	8.5140	8.4805	8.4629	8.4629
C Dir	31.0476	30.9256	30.8614	30.8614
S Franc	34.6726	34.5364	34.4646	34.4646
JP Yen	0.3897	0.3882	0.3874	0.3874

Selling

Name of Currency	T.T. & O.D.	B.C.
US Dollar	48.7095	48.7490
GB Pound	81.2455	81.3114

A) TT (DOC) US Dollar Spot Buying Tk.48.2550
B) Usance Rate

30 Days	60 Days	90 Days	120 Days	180 Days
47.8531	47.4502	47.0472	46.6443	45.8395

Currency Selling Buying

Saudi Riyal	UAE Dir	Kuwait Dir	D. Quilder	S. Krona	Malay Ringgit	Sing Dollar
12.9878	13.2822	13.0840	25.6096	6.1154	12.8139	29.1061

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 15.11.98

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Date of leaving
J/3	Alfan Sedar	Wheat	Call	ASLL	17/11	17/11
J/4	Yasmina	Rice(P)	Kali	SMSL	8/11	18/11
J/5	Global Bridge	Gr	Busa	Rainbow	7/11	18/11
J/6	Orhangazi	Wheat(P)	Istam	AASS	3/11	18/11
J/7	Pathen	Gr	Yang	MTA	6/11	17/11
J/8	Median Express	Rice(G)	Kaki	OLM	8/11	17/11
J/9	Leona	Gr	OSAKA	Prog	11/11	18/11
J/10	Golden Virgo	Gr	Col	OWSL	13/11	20/11
J/12	S Pioneer	Wheat(G)	S. Hani	LSC	R/A	25/11
J/13	QC Pintail	Cont	Sing	QC SL	11/11	15/11
CCT/1	Kota Singa	Cont	Sing	Pil (BD)	10/11	18/11
CCT/2	QC Teal	Cont	Sing	QC SL	11/11	17/11
CCT/3	ACACIA	Cont	Sing	RSL	10/11	16/11
CGJ	QL Quamar	C. Clink	Sing	PSAL	8/11	-
GSJ	Silver Star	Wheat(G)	Mong	LAMS	7/11	-
TSP	Princes	R. Phons	Hame	Litmond	11/11	27/11
RM/4	Pranedia Pratama	F. Oil	Sing	CTSL	14/11	-
DD	Banglar Mamata	Repair	Para	BSC	R/A	30/11
DDJ/1	Tanary Star	IDLE	Para	PSAL	15/11	15/11
RM/8	Al Salamas	Repair	Para	ASLL	29/8	16/11
RM/9	Banglar Shourabh	Repair	Para	BSC	R/A	16/11

Vessels due at outer anchorage:

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Al Salma	15/11	Mong	ASLL	-	-
Aboja (Cont)	15/11	Call	Barthi	Cont	Col
Shong Chon Gang	15/11	-	USTC	Rice(G)	-
Golden D	15/11	-	Rainbow	Wheat	-
Global Jane	15/11	Mong	Lams	-	-
Undok-1	15/11	-	PSAL	Cement	-
Banglar Kollol	16/11	Mong	USTC	-	-
Meraks	16/11	Sing	Everett	PSSP	-
Trono	18/11	Sing	Everett	Gr	-
Sea Master-1	17/11	Col	BD Ship	Gr	-
Prudent Challenger	15/11	Kand	OTBL	Rice(P)	-
Prosrch (Cont)	16/11	Sing	QC SL	Cont	Sing
Darin Narce	16/11	CAPT	Fotal	Wheat(P)	-
Good Will	16/11	Col	Abahoni	Gr	-
Yong Jiang	16/11	Col	BD Ship	Gr	-
Marine Fortune	17/11	Sing	RML	Combi	Sing
Penguin	17/11	Yang	SMSL	Gr	Sing
Diligence (Cont/Cont)	18/11	Sing	QC SL	Cont	Sing
Kimdong	18/11	Kaki	MST	Rice(G)	-
Mariaspes	24/11	Sing	SSST	Wheat(G)	-
Devolan	17/11	AUST	SSST	Wheat(G)	-
Dewan	18/11	Sing	AML	Rice(G)	-
San Pablo	18/11	Sing	JP	Vehi	-
Art Nok Gang	18/11	Egpt	SSTL	PSSP	-
Xpress Resolve (Cont)	19/11	Sing	RSL	Cont	Sing
Bunga Mas Lapan (Cont)	19/11	-	EOSL	Cont	Sing,PK
Ynag Lin	19/11	-	Prog	Gr	-
Kota Chaya (Cont)	19/11	Sing	Pil (BD)	Cont	Sing
Banglar Shikha (Cont)	20/11	Sing	BSC	Cont	Sing
Banglar Mont (Cont)	20/11	Sing	BSC	Cont	Sing
DA FA (Cont)	20/11	Sing	RSL	Cont	Sing
Ming Jiang	20/11	-	BD Ship	Gr	-
Cosmic	22/11	-	Bese	Wheat (G)	-
Kota Naga (Cont)	18/11	Sing	Pil (BD)	Cont	Sing
Ken Pan	30/11	NORF	OWSL	Wheat (G)	-

Tanker due

Name of vessels	Date of arrival	L Port call	Local agent	Date of arrival
VIVI	15/11	-	Rainbow	CDSO

Vessels at Kutubdia

Name of vessels	Cargo	L Port call	Local agent	Date of arrival	
Banglar Robi	11/11	Cont	Sing	BSC	11/11
Manassu	11/11	Cont	P. Kei	FSL	11/11
Makassar Express	12/11	Cont	CEI	Barthi	12/11
Richmond	13/11	Cont	QC SL	COSL	13/11
Jurong	13/11	Cont	Sing	NOL	13/11
Kwan Mo Bong	13/11	Cement	Sing	USTC	8/11
Arbat	13/11	Cement	Sing	USTC	9/11
Kota Berjaya	14/11	Cont	Sing	Pil (BD)	14/11
Sung Berjaya	14/11	Cont	Sing	Everett	9/11
Banglar Asha	14/11	GL	Male	BSC	14/11
Ocean-1	14/11	GL	Yang	SMSL	13/11

Vessels awaiting instruction

Name of vessels	Date of arrival	L Port call	Local agent	Date of arrival	
Karya Sentosa	20/11	Rice(G)	-	USTC	R/A (18/9)
Rong Jiang	18/11	Rice(G)	-	OWSL	R/A (9/9)
RIZ	22/11	Rice(P)	-	CROSS	R/A (24/9)
Delta Star	-	-	-	RSA	R/A
Banglar Jyoti	-	-	-	BSC	R/A (2/11)
Banglar Asha	-	-	-	BSC	R/A (6/11)
Sea Bird	-	-	-	CCNI	R/A (14/11)

Vessels not entering

Name of vessels	Date of arrival	L Port call	Local agent	Date of arrival	
Izmail	18/11	Urea	COL	USTC	3/7
Evandros-K	-	Cement	Tang	PSAL	1/11
Sea Bird	-	Scraping	ILYC	Litmond	24/11
Stoletie Parizhskoy Komuny	-	Scraping	Sing	CTSL	14/11

Movement of vessels for 16.11.98

OUTGOING	INCOMING	SHIFTING
J/3 Alam Sedar	J/3 B Maya	J/8 Median Express to J/9
J/6 Orhangazi	J/10 B Kollol	J/9 Leona to J/8
CCT/3 ACACIA	DDJ/2 B Asha	-
GSJ Silver Star	RM/4 UNDOCK	-
J/10 Golden Virgo	CCT/3 Manassu	-
RM/4 P Pratama	CCT/3 M Express	-
-	J/6 S Bright	-
-	J/11 Ocean-1	-
-	CSJ Hani Trader	-

The above are today's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Pakistan will raise forward cover fee on forex deposits

KARACHI, Pakistan, Nov 15: The State (central) Bank of Pakistan (SBP) said yesterday it would raise the forward cover fee on foreign currency bank deposits by varying amounts, depending on the currency, effective from Monday, says Reuters.

SBP said it would gradually raise the fee to bring it to par with rates prevailing in the interbank forward foreign exchange market.

An SBP statement said introduction of the new dollar bonds this month provided for-

an attractive alternative investment outlet.

There is no justification for continuation of the subsidy to foreign currency deposits in the form of a low forward exchange cover fee," SBP said.

"Accordingly, the forward cover fee will gradually be increased to the level prevailing in the market."

SBP said the fee for risk cover dollar deposits would be raised to eight per cent from seven per cent to 6.5 per cent from 5.1 per cent for the pound

to 9.5 per cent from 8.9 per cent for the mark and to 12.8 from 11.9 per cent for the yen.

Pakistan amassed a total of 11 billion dollars in 'no questions asked' foreign currency deposits after resurrections on foreign exchange transactions were relaxed in the early 1990s.

The forward cover fee was kept low to let banks give high returns and attract foreign currency deposits from abroad, most of which was used to finance current account deficits.

But the government froze withdrawal from all forex deposits on fears of a run on banks after its May 28 nuclear tests, later the government allowed withdrawal in rupees at a special rate of 46 rupees to a dollar.

In July a dollar bond was offered to depositors as an alternative to the foreign currency frozen in their accounts. But only 35 million dollars were converted into bonds whereas 7.5 billion dollars deposits were converted into rupees.

Prime Minister Nawaz Sharif on November 6 announced a revamped dollar bond scheme offering higher returns in dollars and lowering the maturity period.

Individuals, including foreigners, have been allowed to purchase these bonds from commercial banks. The return on the five-year bond was increased from six-month London Interbank Offered Rate (LIBOR) to LIBOR plus three per cent and the seven-year bond will carry LIBOR plus four per cent instead of LIBOR plus one per cent.

A new three-year bond at LIBOR plus two per cent was also announced.

SBP said banks would be allowed to hold the rupee funds against which depositors would buy the special dollar bonds for one year so that banks do not face any liquidity problems.

Myanmar economy hits crisis point

YANGON, Nov 15: Myanmar's economy has reached "crisis" point, forcing the government to resort to policies of self-reliance to battle misery inflicted by Western sanctions and Asia's financial storm, diplomats and analysts here say, reports AFP.

Despite government assurances the economy is prospering and will post 6.4 per cent GDP growth this year, diplomats say the nascent market economy is choking through lack of investment.

The ruling State Peace and Development Council (SPDC) is furious international sanctions have shattered its plans for a thriving economy and accuses the west of economic "sabotage."

Ministers admit however many ambitious projects to exploit abundant natural resources and to nurture a fledgling middle class are dependent on substantial foreign investment.

People in the capital, Yangon, suffer long daily power cuts and some have imported gener-

ators to cope with shortages caused by low water levels at hydro-electric plants and a lack of investment in new facilities.

Rampant inflation means bills must be paid with wads of cash, foreign exchange coupons and dollars.

Though the government estimates inflation at 24 per cent economists here put the true figure at between 30 and 60 per cent.

The tottering currency, the kyat, changes hands on the black market at more than 300 times the official rate. When it hit the 400 mark this year, some foreign exchange dealers were arrested, analysts say.

"The economy is in a crisis situation," said one diplomat.

The junta would go back to self-reliance rather than submit to western pressures on human rights and recognise the 1990 election victory of the opposition national league for democracy of Aung San Suu Kyi, he said.

and impact on the Malaysian people," Axworthy told reporters after the luncheon.

Mahathir has blamed Asia's troubles on foreign currency speculators and incompetent policies by the International Monetary Fund. In September, he banned trading of the Malaysian currency outside the country and imposed controls on foreigners trying to pull investments out of Malaysia.

"We cannot miss even one international forum and let it go without our bringing to their attention the problem raised by the financial turmoil," he said in an interview Saturday with an Malaysian government news agency, Bernama.

The draft APEC statement, however, praised the IMF's handling of the crisis that has



US Trade Representative Charlene Barshefsky, (left), leans on Secretary of State Madeleine Albright to whisper during the APEC ministers joint press conference at the Palace of Golden Horses in Kuala Lumpur yesterday. Albright arrived late Saturday to attend the annual Pacific Rim summit but she cut short her scheduled stay under the tense Iraq situation. — AP/UNB photo



Chinese Minister of Foreign Trade and Economic Cooperation, Shi Guangsheng (left), and Chilean Economy Minister Jorge Leiva Lavalle clap hands during a speech delivered by Malaysian Trade Minister Rafidah Aziz at a reception for the APEC ministers in Kuala Lumpur on Saturday. Ministers of 21 Pacific Rim nations are in Kuala Lumpur for the annual summit meeting. — AP/UNB photo

Taiwan to push bailout package

TAIPEI, Nov 15: Despite a lack of US backing, Taiwan will continue to push a bond proposal to help its Asian neighbours at this week's meeting of Pacific Rim leaders in Kuala Lumpur, the government's top economic planner said Sunday, reports AP.

The support of only a few nations is needed for the adoption of a plan to back bonds issued by countries badly affected by the Asian economic crisis, Chiang Pin-kung told reporters prior to his departure for the Malaysian capital.

The bailout plan would draw funds from well-off countries, private investors and lending institutions to collateralise and repackage bonds already issued by ailing countries, allowing them to raise more on the international bond market.

Taiwan is willing to invest up to US \$250 million, or one-quarter of the total amount to be raised for the task, Chiang said.

Taiwan's proposal has reportedly already met with criticism from the United States.

Philippine economy in good shape: Estrada

MANILA, Nov 15: The effects of the regional financial crisis may be over for the Philippines, President Joseph Estrada said here citing the country's strong economic performance, says AFP.

At this point, the shocks of the financial crisis are hopefully over," Estrada said in a speech marking the opening of an integrated steel plant.

"Our economy is in good shape we have been able to put in place the proper economic policies and infrastructure that have enabled us to cope well with the economic situation the region is now experiencing."

Estrada said the Gross National Product (GNP) and exports continued to grow, while the country's deficit was going down even as the balance of payments posted a 1.4 billion dollars surplus.

He also boasted that thanks to these achievements, foreign investors were returning to the country and that the Philippines was "in good shape and ready to take advantage of the improvements in the global economy."

The president did not provide exact forecasts although other officials have earlier said GNP growth this year would hit 1.2 per cent, making it one of the low Asian nations to enjoy positive growth in 1998.

In his speech, Estrada reiterated his commitment not to impose currency controls.

He also credited economic liberalisation and deregulation implemented under previous administrations with preparing the Philippines for globalisation.

Xiuhua says: The export and investment sectors remain the "twin engines of growth" to power the economic rebound of the Philippines, the government said in a