

## Fallout of banana row

## France blasts US unilateral sanctions on EU imports

PARIS, Dec 23: France yesterday deplored a US announcement of unilateral sanctions to try to force a change to European Union banana import rules, and warned it would hit back, says AFP.

France "strongly deplores" the publication Monday of a US list of EU imports Washington will subject to 100 per cent tariffs from March 32 if the banana row is not resolved, the foreign ministry said.

It urged Washington to "reconsider" its position and warned that the US action "will not go unanswered."

"In publishing a definitive list of imports which it plans to make subject to reprisals, the United States has chosen a unilateral treatment of the banana dispute. We strongly deplore this," foreign ministry spokeswoman Anne Gazeau-Secret said.

"We urge them to reconsider

their position," she added, stressing that the dispute should be dealt with by the World Trade Organisation (WTO) in Geneva.

"The US attitude will not go unanswered."

The dispute centres over what the United States says is EU discrimination against imports of Latin American bananas from US multinationals.

Washington took the case to the WTO which ruled last year that EU banana import policies were in violation of international trade rules.

The EU says it has since amended its banana import rules in line with the WTO decision, but the United States maintains that the EU is still flagrantly flouting the Geneva ruling.

EU Trade Commissioner Leon Brittan said Monday that he believed the EU's banana

regime, which comes into force on January 1, was entirely WTO-compatible and if the United States wants to challenge it, it can do so in the WTO — and not through sanctions.

The products which would be hit with 100 per cent duties include such items as cheese, candles, bath preparations, handbags and bed linen. Sanctions could take effect as early as February 2 and no later than March 3.

The United States gave no estimate of the value of imports likely to be affected, but the European Commission said they would be worth some 501 million euros (590 million dollars) a year.

Top of the list would be British goods totalling some 119 million euros, followed by Italy with 105 million euros, France with 95 million, Germany with 70 million and Spain with 22 million.



ANZ Grindlays Bank GM Mohammed Ali inaugurates the new Corporate Banking Division at Khulna Sales and Service Centre. —ANZ photo

## Corporate banking division opens at ANZ Grindlays Khulna branch

Star Business Report  
ANZ Grindlays Bank has opened a corporate banking division at its Khulna branch.

The division was inaugurated by the bank's General Manager, Muhammad Ali, recently, says a press release.

The banking division will help meet the growing financial needs of the local business community and corporate houses of the area.

Among other prominent persons from the bank present were Head of Corporate K M Sattar, Head of Credit, Shahed Noman and Head of Finance and Admin. Shaiful Alam.

For the time being, Sohel Zaman, Manager of ANZ Grindlays Bank, Khulna will be directly in charge of the new division which will offer businessmen fiscal transfer facilities, term loans, opening of LCs and other such facilities.

## Volvo up on Ford merger talks

LONDON, Dec 23: Merger speculation has taken the wheel in Europe. Persistent rumors surrounding a possible merger between Ford and Volvo are driving the Swedish group's shares higher.

Neither party would comment on the stories, but investors showed Volvo shares up to 15 per cent higher in Stockholm.

Analysts pooh-poohed the prospect of a full merger, but said some form of cooperation is a real possibility.

France's Renault (PRNO) agreed to a merger with Volvo in the early 1990s, but the deal fell apart.

—CNN Internet

## Consumer items most expensive in Britain

BRUSSELS, Dec 22: Britain is overall the most expensive EU country for consumer goods, while Germany is generally the cheapest, according to a study by the Belgian Consumer Association Test-Achats, reports AFP.

A comparison of 2,500 shops in 10 EU countries found that Britain topped the table for high prices, receiving a rating of 124 by the association, while Germany was given 100 and France 108.

Differences between the prices for specific items, however, meant clear shoppers should choose their destination to get the best deal.

Spain, for instance, was the best place to find clothes, toys and tennis rackets. The Netherlands was attractive for stereos and televisions, Belgium was ideal for perfumes.

France had good prices for calculators and personal organisers. Portugal was the cheapest for photographic film and sports shoes. Austria was a good country to pick up video and automatic cameras.

## EC plans raising technical aid to Russia, CIS

BRUSSELS, Dec 23: The European Commission said yesterday it was moving to increase its technical aid package to Russia and the former Soviet satellite states to four billion euros (4.8 billion dollars) for 2000-2006, reports AFP.

The money will go to help the countries — some of which lie on the European Union's eastern border — fight drug trafficking, protect the environment and ensure nuclear safety, among other projects, a commission spokesman said.

Priorities will be given to reinforcing Russia's legal and economic/finance systems, encouraging democracy and economic reform in Central Asia, improving regional cooperation and helping to attract investment in the Caucasus.

The previous aid package, a three-billion-euro programme, had come in for criticism from the European parliament and the EU court of auditors for a lack of transparency, of having funded too many small projects and for having been unduly bogged down.

## Iraq's oil deliveries unaffected by air strikes

DUBAI, Dec 23: Iraq exported 88 million dollars worth of oil in the week to Friday, with deliveries unaffected by the US-led air strikes over the country, a UN official said yesterday, reports AFP.

Iraq loaded 11.14 million barrels worth 88 million dollars from December 12 to 18, bringing the total under the latest phase of the UN oil-for-food programme to 172 million dollars.

Exports continued normally during operation desert fox from both the Mina Bakr offshore platform in southern Iraq and the Turkish port of Ceyhan, said John Mills, chief of information at the office of the Iraq programme in New York.

Iraq hopes to export 1.8 million barrels per day under the

current phase of the programme which runs from November 26 to the end of May 1999.

The oil-for-food scheme enables sanctions-hit Iraq to export limited quantities of crude in return for basic imports such as food and medicine.

In a statement received here, Mills said 14 new contracts for oil sales were approved during the week while three have been sent to the UN sanctions committee and seven are pending.

"So far 50 contracts have been approved with total volume of 203.3 million barrels," he said.

In addition, the committee approved seven contracts worth 2.2 million dollars to provide spare parts for Iraq's battered oil industry, bringing the total to 129.2 million dollars.



Dr Mohammad Farasuddin, Governor of Bangladesh Bank and Institute of Bankers, Bangladesh (IBB) President, speaks at the 25th annual general meeting of IBB held recently at the auditorium of Pubali Bank Ltd. Seated on his right is A N M Solaiman Choudhury, ex-Managing Director of Janata Bank, while J R Choudhury, Secretary General of IBB and Mohammad Quamrul Huda, Managing Director of Pubali Bank Ltd, are seen on his left. — IBB photo

## UK in rate-cut mode

The Bank of England's Monetary Policy Committee (MPC) was unanimous in its decision to opt for another cut in interest rates two weeks ago, prompting speculation that rates stand to be cut further early next year.

The MPC decided to cut interest rates by 0.5 percentage points at its December meeting, bringing to 1.25 per cent the amount by which official interest rates have been reduced over the last three months.

Again, however, member Willem Buiter was looking for a bigger cut of 0.75 per cent while a minority supported a smaller quarter percentage-point cut.

## Voting U-turn

The voting was revealed in the release of minutes of the MPC's December meeting and underlines the sharp turnaround in thinking among members in recent months.

Chaired by Bank of England governor Eddie George, the MPC said the "unexpected weakness in consumption" in the economy was "a major concern."

—BBC Internet

## World's airlines to spend \$2.3b to tackle Y2K

GENEVA, Dec 23: The world's airlines will spend around 2.3 billion dollars gearing up for the new millennium, the International Air Transportation Association (IATA) said yesterday, reports AFP.

Some companies will complete their year 2000 (Y2K) work by as early as March, said the Geneva-based association, which has 250 members.

Airline staff are undertaking around 1,000 site visits to big and small airports and air traffic control centers worldwide to ensure that they are up to scratch with preparations and able to meet computer requirements.

Airports themselves are carrying out system audits, and sending the results to IATA, which monitors the progress of such programmes and when they will be finished.

"Our airlines are looking at the results of these visits and surveys and making sure they

## Exchange Rates

StanChart foreign exchange rates (indicative) against the Taka to clients					
Effective on Wednesday, December 12, 1998					
Central Bank USD/BDT Rate: Buying - BDT 48.35/Selling - BDT 48.65					
Selling	Currency	Buying	Buying	Buying	Buying
TT/OD	BC	TT Clean	OD Sight Doc	OD Transfer	
48.7100	48.7500	USD	48.3150	48.1549	48.0708
82.1494	82.2169	GBP	80.4686	80.2020	80.0619
29.3239	29.3480	DEM	28.8087	28.7132	28.6119
0.4229	0.4233	JPY	0.4122	0.4109	0.4102
36.0088	36.0364	CHF	35.3102	35.1932	35.0649
26.0009	26.0222	NLG	25.5784	25.4936	25.4087
29.6055	29.6299	SGD	29.0626	28.9863	28.8835
8.7341	8.7413	FRF	8.6069	8.5784	8.5588
31.6032	31.0291	CAD	30.0256	30.8231	30.7103
6.1023	6.1073	SEK	6.0025	5.9826	5.9699
30.3609	30.3859	AUD	29.1726	29.0759	28.9809
58.1744	58.2221	ECU	55.8183	55.6333	55.3920
6.2990	6.3042	HKD	6.2310	6.2103	6.2019
13.0223	13.0330	SAR	12.8463	12.8037	12.7916

Usance Export Bills						
TT	DOC	30 days	60 days	90 days	120 days	180 days.
48.2154	47.9179	47.5208	47.0641	46.5677	45.5677	45.4558
Exchange rates of some Asian currencies against US dollar						
Indian Rupee	Pak Rupee	Thai Baht	Malq. Ringit	Indo. Rupiah	Sing. Dollar	
42.48/58	54.00/10	36.25/30	3.7999/8000	7900/7975 <sup>th</sup>	1.6528/1.6538	

US dollar			Libor			
	Buying	Selling	1 Month	3 Months s	6 Months	12 Months
Cash notes	48.15	48.75	5.6175	5.25	5.11031	5.06031
T-C	48.1	48.7	6.50625	6.35641	6.04594	5.745

## Market commentary

On Wednesday, the demand for US dollar was steady in the local forex market. In the interbank market US dollar traded between BDT 48.6500 and BDT 48.6520. The call money market was in a quiet state. The call money rate ranged between 7 and 7.5 per cent. The banks offered one unit of US dollar to the exporters at BDT 48.7500 and purchased a unit of US dollar from the exporters at BDT 48.1550. In the inter bank, cash dollar notes transacted between 48.60 and 48.80.

In the international markets the major currencies moved in a narrow range without any tendency to break out from the current ranges as the market remained thin due to holiday in Japan and pre-Christmas reasons. The market was focused on sterling and paid attention to the release of minutes of the December meeting of Bank of England's Monetary Policy Committee. The market showed little reaction to the outcome of the European Central Bank's meeting before the launch of euro as there were no surprises. Although the European Central Bank is talking about three per cent rates the market expects the rates to go lower considering the economic prospects of Europe.

At 1530 hours local time, US dollar traded at 1.6659/99 against DEM, 116.09 against Yen and GBP at 1.6793/03 against US Dollar.

## Shipping Intelligence

## Chittagong port

Berth position and performance of vessels as on 23.12.98

Berth No	Name of vessels	Cargo	L.Port call	Local agent	Date of arrival	Date of leaving
J/1	Ocean-1	Onion	Yang	SMSL	18/12	23/12
J/2	Dalmacija Frigo	Onion	Turk	MSA	R/A	26/12
J/3	Lynx	Wheat(P)	Mars	Rainbow	15/12	27/12
J/5	Sea Phoenix	Wheat(P)/GI Vans	AASS	14/12	28/12	
J/6	Hainan No.1	C. Clink	Sing	MBL	9/12	26/12
J/7	Xia Men	GI	Sang	Bdship	1/12	28/12
J/8	Ken Pan	Wheat(G)	Norl	OWSL	1/12	28/12
J/9	Yong Jiang	GI	Cont	Bdship	12/12	23/12
J/10	Socof Lake	GI(Peas)	Wall	AASS	17/12	26/12
J/11	Golden D	Wheat(G)	K.Dia	Frank	R/A	27/12
J/12	Meghna	Cont	Sing	Bdship	17/12	25/12
J/13	Sea Bird	Wheat(G)	K.Dia	Frank	R/A	23/12
CCT/1	Bangal Robi	Cont	Sing	ISC	18/12	26/12
CCT/2	Prostrich	Cont	Sing	QCSL	18/12	25/12
CCT/3	Acacia	Cont	Sing	RSI	30/11	23/12
RM/14	Al Swamuz	C. Clink	Cica	ASLL	30/11	25/12
CGJ	Al Quamar	C. Clink	Taje	PSAL	12/12	28/12
GSJ	Aghia Sophia	Wheat(G)	Leba	OWSL	10/12	24/12
TSP	Suthathip Naree	Repair	Ham	Move	10/12	27/12
RM/4	Bangal Jyoti	Bunker	BSC	R/A	24/12	
RM/5	Unadzi	L. Oil	Sing	EOSL	21/12	
RM/6	Mingzhou-3	Urea	Sing	Seacom	13/12	28/12
DOJ	pranedyia Dwitya	F. Oil	Sing	ECSL	18/12	23/12
DDJ/1	Tanary Star	Idle	Para	Para	31/12	
RM/8	Al Murtuba	Repair	Cont	K.Dia	IBS	R/A
RM/9	Bangal Mamata	Repair	Cont	HSC	R/A	24/12
Kafco(U)	Viva Ocean	Urea	Mong	ANCL	15/12	23/12

## Vessels due at outer anchorage

Name of vessels	Date of arrival	L.Port call	Local agent	Cargo	Loading port
Orion Glory	23/12	Sing	Prog	GI(Vehi)	-
Martina	24/12	Sing	USTC	Cement	-
Bunga Mas Lapan	24/12	-	EOSL	Cont Sing P.kel	-
Inta	25/12	Cana	SSST	Wheat(G)	-
Xpress padma	24/12	Sing	RSI	Cont	-
Jaani	25/12	Cal	Royal	Rec(G)	-
Min Jiang	31/12	-	Bdship	GI	-
Bangal Shikha	26/12	Sing	HSC	GI	Cal
Pulau Mawar	25/12	Sing	QCSL	Cont	Sing
Xing Ye	25/12	-	-	Rec(G)	-
Maple Arles (48) 8/12	25/12	-	-	GI	Cal Sing
Ryong Gang	25/12	-	USTC	Cement	-
Chalkidion	25/12	Mumb	OWSL	GI	-
Mary Bay	26/12	-	Lams	Wheat(G)	-
Global Jane	25/12	-	Lams	Cont	-
Fu Shan	26/12	-	MBL	C. Clink	-
Ahuja (Cont) 20/12	26/12	-	Baridhi	Cont	Sing
Golden Rose	26/12	Kemb	Ancient	Wheat(G)	-
Katalina (40) 22/12	26/12	Sing	AML	GI	-
Great fortress	27/12	Turk	OWSL	Vehi	-
Kota Naga (Cont) 15/12	27/12	Sing	Pil(BD)	Cont	Sing
Orange Moon	27/12	P. Kel	BBA	Vehi	-
(Roro) 24/3/12	27/12	-	-	-	-
Bunga Mas Enam	27/12	Sing	EOSL	Cont	Sing
(Cont) 20/12	27/12	Col	Littmond	Cont	-
Sunsin	28/12	-	CL	Rice(PGI)	-
A.A. Venture	28/12	-	QCSL	Cont	Sing
Q. Pintail (Cont) 17/12	28/12	Sing	QCSL	Cont	Sing
Banga Braj (Cont) 17/12	28/12	Sing	Bdship	Cont	Sing
Sin hai (Cont) 8/12	29/12	Sing	RSI	Cont	-
Prima Cynthia	29/12	-	Prog	GI	-
Vishva Kaumudi	01/01/99	-	SSSL	Rec(G)	-
Banga Birol (Cont) 10/12	31/12	Sing	Bdship	Cont	Sing
Budi Aman (Cont) 21/12	1/1	Sing	Rsl	Cont	Sing
Makassar Express	(Cont) 21/12	-	-	-	-
Kota Cahaya	1/1/99	Sing	Pil(BD)	Cont	Sing
Bangal Moni	(Cont) 22/12	-	-	-	-
Q. Teal (Cont) 20/12	2/1/99	Sing	BSC	Cont	Sing
Oscar Venture	3/1/99	Sing	QCSL	Cont	Sing
(Roro) 24/9/12	4/1/99	-	BBA	Vehi	-

## Tanker due:

Name of Vessel	Cargo	Last Port	Local agent	Date of arrival
Belgalanthy	23/12	Sing	MSTPL	HSD
Ussuriyask	23/12	Pkl	Rainbow	CPO
Cielo Di Salerno	25/12	-	Seacom	CDSO
Romina-G	25/12	Rast	ASTA	Crude Oil

## Vessels at Kutubdia

Name of Vessel	Cargo	Last Port	Local agent	Date of arrival
Ready on:				

## Vessels at outer anchorage:

Ready on:	Cargo	Last Port	Local agent	Date of arrival
Jiang Chuan	GI	Tian	Bdship	11/12
Arkis Grace	GI	Sing	Seacom	16/12
Bangal Shobha	Wheat(G)	K.Dia	BSC	R/A(16/12)
Ranginui	GI	Sing	IP	18/12
Kota Shiga (Cont)	Cont	Sing	Pil(BD)	18/12
Dong Long-1	Rice(P)	Cal	MSL	19/12
Jurong Balsam (Cont)	Cont	Sing	Nol	20/12
Richmond (Cont)	Cont	P. Kel	QCSL	20/12
Manastu (Cont)	Cont	Sing	RSI	21/12
Cosmic	Wheat(G)	K.Dia	EASL	R/A(21/12)
Paramushir	Urea	Mong	ANCL	21/12

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.

## Economic globalisation faces serious challenges in '98

LONDON, Dec 23: The much trumpeted process of economic globalization has been under serious challenges in the passing year, reports Xinhua.