

Call for end of May deadline

Supachai urges US neutrality in WTO leadership selection

BANGKOK, May 12: Thailand's candidate in the drawn-out battle for the top post at the World Trade Organisation (WTO) has called for an end of May deadline, says AFP.

"I would suggest a new deadline be fixed at the end of May so that we can then move on to work on something else," said Deputy Prime Minister Supachai Panitchpakdi.

In an interview published in the Nation Daily Wednesday, Supachai, who is also the commerce minister, urged the United States to 'stay neutral' in the selection process for a new

director general.

Many of Supachai's backers say the selection process has been stained by behind-the-scenes double dealing and inappropriate conduct, with some pointing the finger directly at Washington.

"The US does not have to oppose anything (publicly), but its sheer size has already made its presence felt," Supachai said.

"The US has said that it doesn't oppose me and doesn't dislike me but they prefer (New Zealand candidate Mike) Moore to me. So if the US stays neu-

tral, we will be able to see a clearer picture of the two candidates, Supachai added.

Supachai is locked in a bitter struggle with former New Zealand Prime Minister Mike Moore to succeed Renato Ruggiero as WTO director general, and a string of deadlines, the last on April 30, have been missed by the international trade body.

The race has split the WTO membership down the middle and crippled the body at a time when it faces a host of issues critical to world trade, analysts warn.

WTO members would prefer to settle the matter by consensus as they fear a vote could spawn more discontent and alienate those members who oppose the eventual winner.

Thailand called Monday for a vote to settle the acrimonious battle for the top post and ordered its ambassadors overseas to launch a new push for its candidate.

"A vote is the best way because then we will know how many supporters each candidate has," said Thai Foreign Minister Surin Pitsuwan.

Ex-Central Bank man says

Cheap dollar sale to banks helped Brazil evade crisis

BRASILIA, May 12: A former top Brazilian Central Bank official told a banking scandal senate hearing that selling cheap dollars to two private banks helped avoid an even larger financial crisis, reports AFP.

Demosthenes Madureira de Pinho Neto told a Senate committee yesterday that the Central Bank's operation ahead of a devaluation of the real in January prevented Brazil from following in the footsteps of Russia, South Korea and Mexico.

The central bank's former director of international affairs said that if the bank had not sold cheap dollars to Marka and Pontecianam banks, Brazil would have been forced to miss debt payments.

"In that context, the question of Marka and Pontecianam would have been the least of our worries. We wanted to keep the country from spending all its international reserves and having a complete crash," Neto said.

DHL Germany wins gold prize for int'l performance

DHL Germany won the gold prize for 'Best International Campaign' at the 1999 Swiss Direct Marketing Awards with the mailing 'Akte X' recently, says a press release.

The Swiss Association for Direct Marketing staged this event for the very first time and with over 200 entries it was able to establish itself among the top European direct marketing competitions rightaway.

On Friday night, the international marketing community gathered in a former prison in order to award its prizes in a truly unique setting.

Lolita Morena, host of the event, handed over the prestigious awards to Claus Gruschka of the GRO agency, and Holger Weishaupt of DHL Worldwide Express Germany. In addition to the gold prize, DHL was also awarded a 'Letter of Distinction' for its 1997/98 Christmas and Import Express campaigns.



British Airways Bangladesh recently hosted a trip to Sri Lanka for their Prestige Plus Agents. Picture shows the agents with their awards along with British Airways officials Terry Doherty, Manager Bangladesh, and Kevin Steele, former GM South Asia.—BA photo

Brazilian president vows to tackle fiscal deficit

WASHINGTON, May 11: Brazilian President Fernando Henrique Cardoso vowed on Monday to keep tackling his country's fiscal deficit after successfully leading it through a currency crisis, reports Reuters.

Cardoso told US businessmen and government officials that Brazil's recession will not be as deep as feared and inflation will be lower than expected after January's sharp devaluation of the Brazilian currency, the real.

But he said there would be no room for complacency in his government and he will push on with reforms to a costly state bureaucracy and a cumbersome tax regime.

"I will keep up the pace of the budget cuts. I will do my best to control the fiscal situation," he told the US Chamber of Commerce during his first visit to Washington since his reelection last year. "There will be no danger of any misplaced euphoria within the government."

Concern over Brazil's high deficit fuelled market pressures that forced Cardoso to float an

overvalued currency, despite a \$41.5 billion loan package that had been put together by the International Monetary Fund in December to prop up the real in the face of global financial turbulence.

"We remain fully committed to a tight budgetary discipline, at all levels of government, including the state and municipal levels," he told a meeting of the US Export-Import Bank.

"We know just how essential the reform of public spending patterns in Brazil is and we will continue to pursue it vigorously," he added in a luncheon speech.

Investors on financial markets are still worried about Brazil's nominal budget deficit, which ballooned to 14 per cent of gross domestic product in the year to February, following the devaluation crisis.

Cardoso sought to allay fears of a moratorium in Brazil's massive internal debt. He stressed the bulk of this debt is in domestic currency and not affected by the devaluation, noting that Brazil has never had any trouble rolling it over.

The Brazilian leader said foreign investors were showing long-term confidence in his country's recovery by pouring in \$9 billion in direct investment in the first four months of 1999. A \$20 billion target for the year is not exaggerated, he said.

"That's not bad for a year of crisis," he said.

Cardoso met with US Treasury Secretary Robert Rubin and was later scheduled to visit the White House to see President Bill Clinton before heading to New York to address Wall Street investors.

Among the good news he brought to Washington, Cardoso said the Brazilian currency, the real, had stabilised at 1.65-1.68 to the dollar after hitting a 2.20 low following the January float.

Interest rates have been brought down to 29.5 per cent at present, and the first quarter primary budget surplus was higher than allowed for in Brazil's revised economic programme with the International Monetary Fund, he said.

Oil prices weaken in a fund-led selloff

NEW YORK, May 12: Oil prices weakened in a fund-led sell-off ended mixed yesterday after a volatile session, analysts said, reports Reuters.

On the New York Mercantile Exchange (NYMEX) oil for June delivery finished sharply down 44 cents at \$18.06 a barrel.

Prices went on a roller-coaster ride, falling steeply to \$17.75 at midday as speculators bailed out, before edging up and then bursting above \$18 on a late buying spree.

A mixture of profit-taking and speculation on the direction of weekly inventory data on US crude and refinery products influenced the day's oil-market trading, said James Falvey, an analyst at Dresdner Kleinwort Benson.

"People were basically speculating on an exciting API (American Petroleum Institute) numbers," Falvey said, adding that the key forecasts centred on a build in gasoline stocks.

In any event, the API data, which were released after the market closed, confirmed market expectations of a build in gasoline stocks for the week ended May 7, coming at the high-end of forecasters' estimates.

The API said gasoline stocks rose nationwide by 3.7 million barrels to 222.4 million barrels, blunting the year-on-year surplus to 7.4 million barrels.

Independent oil companies and refiners troubled with thinning refinery margins also slipped.

Govt takes up Tk 18.62 cr computer training scheme

The government has taken up a Tk 18 crore 62 lakh programme to impart computer training to 32,000 unemployed educated youths within the next five years, official sources said yesterday, reports BSS.

The Youth Development Directorate will implement the programme through its 69 technical training centres located in 64 districts of the country.

As part of this programme, Finance Minister Shah AMS Kibria yesterday inaugurated a computer-training centre under the Youth Development Directorate at Khilgaon Sabujmoti Bhaban.

The inaugural function, presided over by Youth and Sports Secretary ASM Shahjahan, was addressed, among others, by State Minister for Youth and Sports and Culture Obaidul Quader and Deputy Minister for LGRD and Cooperatives Saber

Hossain Chowdhury.

Addressing the function, Kibria said the government is conducting various training programmes in different sectors to create efficient human resources aimed at eradicating poverty.

Some dynamic steps have also been taken to involve youths in the country's development programme, he said adding the progress of the country would be accelerated with ensuring the participation of the promising youth community in the development programme.

The finance minister said great enthusiasm has been created about computer after provisions were made for importing tax-free computer.

There is a vast scope for contributing to the economy by creating efficient manpower through computer training and export of software, he added.

Asian Stocks Roundup
Most markets end higher

HONG KONG, May 12: Most Asian stock markets closed higher Wednesday led by gains in Tokyo and Hong Kong, reports AP.

In Tokyo, the largest market in Asia, overnight gains on Wall Street and bullish announcements by several companies boosted Japanese stocks.

The benchmark Nikkei Stock Average climbed 204.18 points, or 1.22 per cent, to finish the day at 16,947.36. On Tuesday, the average closed down 233.83 points, or 1.38 per cent.

Share prices bounced back following Tuesday's gains in New York, where the Dow Jones industrial average jumped 18.90 to 11,026.15, just shy of its record-high close of 11,031.59 on Friday.

The Hang Seng Index rose 138.60 points, or 1.1 per cent, closing at 13,012.97. On Tuesday, the index had fallen 2.2 per cent on concerns that the tension between the United States and China would hurt business interests in Hong Kong.

Elsewhere, SINGAPORE: Shares on the benchmark index closed virtually unchanged. The Straits Times Index closed up 0.14

points at 1,889.02 points.

SEOUL: South Korean share prices closed down, with the key index falling 1.1 per cent on continuing worries over recent higher interest rates. The benchmark KOSPI index shed 8.28 points to 773.13.

TAIPEI: Taiwan shares fell for a second day as investors continued to sell cyclical stocks in paper, textile and plastics makers to lock in recent gains. The key Weighted Price Stock Index closed down 26.04 points, or 0.3 per cent to 7,448.41.

SYDNEY: Australian share prices closed higher, with an overall positive response to Tuesday's federal budget release and strong gains in market leaders News Corp. and Telstra Corp. driving the advance.

MANILA: Philippine shares ended higher after investors scooped up bargains following the previous session's drop. The 30-company PSE Index closed 41.94 points or 1.7 per cent, higher at 2,579.52, following a 1.1 per cent loss Tuesday.

BANGKOK: Thai shares ended lower as investors chased in on earlier gains. The SET index fell 8.67 points, or 1.8 per cent, to 486.56.

'Mexican economy needs healthy banking system'

MEXICO CITY, May 12: Many Mexican firms have learned to survive in recent years without bank loans, but analysts said yesterday the economy could not continue to grow without getting the ailing banking system back on its feet, reports Reuters.

Credit dried up in Mexico at the beginning of 1995, after a disastrous peso devaluation sent interest rates skyrocketing, and many borrowers could not—or would not—repay outstanding loans.

The banks were left on the verge of technical bankruptcy—where liabilities exceed assets, but there is no move to liquidation.

The banks stayed afloat after a government deposit guarantee fund called Fobaproa picked up bad loans last valued

at around \$65 billion, but they have not been eager to lend since the 1995 crisis.

Yet Mexico's gross domestic product still managed to grow by 7.0 per cent in 1997 and by 4.8 per cent in 1998.

A central bank survey of 500 firms published last week said that they obtained most of their credit either from suppliers or from sister firms.

"In general terms, companies have been growing and the economy has been growing for the past three years, four years, without loan growth," Susana Ornelas, a bank analyst, said. Large exporting companies that can get international credit and private investment were the main drivers on Mexico's seven per cent growth in 1997 and 4.8 per cent in 1998, analysts say.

Motorola to increase China investment

TIANJIN, May 12: Gray Tooker, chairman of Motorola of the United States, said here today that his company will not change its plans to increase investment in China, says Xinhua.

Tooker, who is heading a mission to the north China port city of Tianjin, made this pledge to Tianjin's Party Secretary Zhang Lichang and Mayor Li Shengkin.

Tooker and his delegation visited a computer-chip manufacturing project inside the Xiqing Development Zone in Tianjin this morning, Motorola's largest project in China.

Corporate sources said that the plan involves 1.5 billion US dollars of increased investment and the money will all be paid in by late next year.

Early this morning, workers were seen arriving at Motorola (China) Electronics Ltd inside the Tianjin Development Zone in shuttle buses coming from different directions.

Inside the main hall of the

office building, and open letter signed by PY Lai, president of Motorola (China) Electronics Ltd was displayed.

In the letter, PY Lai, on behalf of the managerial staff of the Motorola (China) company, extended regret over the US-led NATO's attack on the Chinese embassy in Yugoslavia which killed three journalists and injured 20 others.

While expressing condolences and sympathy to relatives of the victims of the raid, PY Lai said he hopes that the incident will be resolved through peaceful and diplomatic means.

Wang Yonggang, a worker at the Motorola-financed venture, said the workers will turn grief into strength, conforming with the guidelines of the televised speech delivered by Chinese Vice President Hu Jintao on Sunday afternoon, and world harder still to master modern technology and keep to their workposts with the purpose of making China prosperous.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients					
Currency	Selling TT & OD	Selling BC	Buying T Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	48.7300	48.7700	48.3100	48.1570	48.0850
Pound Stg	79.3981	79.3732	78.0931	77.8458	77.7294
Deutsche Mark	27.0804	27.1026	26.0936	26.0110	25.9721
Swiss Franc	32.5588	32.6155	32.0826	31.9810	31.9332
Japanese Yen	0.4042	0.4045	0.3973	0.3961	0.3955
Dutch Guilder	24.0343	24.0540	23.1585	23.0852	23.0507
Danish Krona	7.0787	7.0845	6.9143	6.8924	6.8821
Australian \$	33.1364	33.1636	31.8604	31.7595	31.7121
Belgian Franc	1.3130	1.3140	1.2651	1.2611	1.2592
Canadian \$	33.8873	33.9152	32.8863	32.7822	32.7332
French Franc	8.0744	8.0810	7.7802	7.7555	7.7440
Hong Kong \$	6.2991	6.3043	6.2199	6.2002	6.1909
Italian Lira	0.0274	0.0274	0.0264	0.0263	0.0262
Norway Kroner	6.3907	6.3960	6.2977	6.2598	6.2504
Singapore \$	29.0284	29.0522	28.0921	28.0031	27.9613
Saudi Rial	13.0280	13.0387	12.8453	12.8046	12.7855
UAE Dirham	13.3040	13.3150	13.1167	13.0751	13.0556
Swedish Krona	5.8499	5.8547	5.7732	5.7549	5.7463
Qatari Riyal	13.4217	13.4327	13.2295	13.1876	13.1678
Kuwaiti Dinar	165.1305	165.2660	153.1706	152.6655	152.4572
Thai Baht	1.3309	1.3320	1.3158	1.3116	1.3097
Euro	52.9646	53.0081	51.0347	50.8731	50.7970

Bill buying rates					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6997	46.2945

US Dollar London Interbank Offered Rate (LIBOR)					
Buying	Selling	Currency	1 Month	3 Months	6 Months
48.0950	48.7300	USD	4.9025	5.000	5.0803
48.0850	48.7300	GBP	5.3725	5.3398	5.3563
Cash/TC	Cash/TC	EUR	2.5633	2.8000	2.9000

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.735/42.745	50.85/50.94	36.74/36.79	3.7995/3.8005	7830/7890	1205/1206

Amex notes on Tuesday's market

The interbank USD/BDT market felt little pressure, as supply of USD declined compared to the demand in the interbank market. USD/BDT rates ranged between 48.6500-48.6600.

Call money market experienced some softer tone, as liquidity situation improved than earlier level. Average call rates ranged between 8%-9% most of the transaction was done at 8.50%.

The dollar erased its early gains against the yen by late Tokyo trade on Wednesday on mild long liquidation after failing to sustain above 121 yen, but its losses were limited. Dollar/yen stayed range-bound and lacked energy to move in one direction as supply-and-demand factor dominated activity and locked the greenback in a tight range.

The euro fell to one-week lows below \$1.07 in Europe on Wednesday, as the sinking of Russian Prime Minister Yegheny Primakov, knocked Europe's single currency lower in an otherwise lifeless market.

The euro dropped to \$1.0689 immediately after the Kremlin said Russian President Boris Yeltsin had sacked Primakov. The euro then fell further, losing half a cent from before the Kremlin announcement, to \$1.0671/73 by 0748 GMT, from around \$1.0720 before the news and from \$1.0722/29 in late European trade on Tuesday.

Sterling firms against the euro as the single unit drops below \$1.07 following news that Russia's Prime Minister Yegheny Primakov was sacked. Also pound holds ground vs dollar, pound was at \$1.6195/05 vs \$1.6217/27 in late Europe Tuesday. Market saw the await Bank of England's quarterly inflation report at 0930 GMT for hints on monetary policy after MPC said last Thursday rates could fall further if pound strength persists.

At 8.54 GMT the majors traded against US \$ at 120.76/120.86 JPY, 1.5054/1.5064 CHF, euro at \$1.0662/1.0667 and GBP at \$1.6180/1.6183.

Shipping Intelligence

CHITTAGONG PORT					
Berth position and performance of vessels as on 12-5-99					
Berth No	Name of vessels	Cargo	L Port	Local agent	Date of Leaving arrival
J/1	Golden High	Rice(P)	Sing	CCNL	19/4
J/2	Erodios	Rice(P)	Kand	AMBL	18/4
J/3	Ever Cheer (48)	GI	Sing	RML	9/5
J/4	Shun An	GI	Sing	RML	24/4
J/5	Santa Suria	GI	Sing	AMBL	23/4
J/6	Pacific Seles	GI(Peas)	Kona	Seaglor	12/4
J/7	You Yue	Rice(G)	Kand	USTC	28/2
J/8	Tiarestis	Rice(G)	Kand	USTC	20/4
J/9	General Mojika	R Seed	Sing	Rainbow	22/4
J/10	Mokran	Rice(P)	Kara	Cosmos	12/4
J/11	Kota Berjaya	Cont	Sing	PIL(BD)	4/5
J/12	Qc Mallard	Cont	Sing	QCSL	4/5
J/13	Van Dyck	Wheat(P)	Tekki	MSA	6/4
CC/1	Kota singa	Cont	Sing	PIL(BD)	08/05
CC/2	Bunga Mas Lima	Cont	P Kel	PIL(BD)	08/05
CC/3	Hari Bhumi	Cont	Sing	RSL	8/5
RM/4	Humber	Cement	Jaka	ABLE	7/4
RM/15	Banglar Shourabh	Repair	Sing	BSC	R/A
CC/1	Odin-1	C. Clink	Sing	PIL(BD)	08/05
CC/2	Bunga Mas Lima	Cont	P Kel	PIL(BD)	08/05
CC/3	Hari Bhumi	Cont	Sing	RSL	8/5
RM/4	Humber	Cement	Jaka	ABLE	7/4
RM/5	Banglar Jyoti	Bunker	Sing	BSC	R/A
DD	Lectart Utama-II	C Clink	Indo	PSAL	4/5
DD	Sea World	Repair	Indo	CCNL	R/A
DD/1	Tanary Star	Idle	Para	PSAL	-
RM/8	AA Venture	Repair	Kaka	CLA	11/3

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L Port	Local agent	Cargo	Loading port
Meghna (Cont) 25/4	12/5	-	Bdshp	Cont	Sing
Bux Moon (Cont)	12/5	P Kel	QCSL	Cont	Sing
Agios Gerassimos	12/5	Sing	PSAL	Cement	-
Royal Clipper	12/5	Sing	H&SL	-	-
Peleas-K	12/5	Sing	PSAL	Cement	-
Karunia Lestari-II	13/5	-	PSAL	Rice(P)	-
Kota Naga(Cont)3/5	13/5	Sing	PIL(BD)	Cont	Sing
Unity	16/5	Mgl	SSST	In Ballast	-
Sin Hat (Cont)	10/5	Sing	RSL	Cont	Sing
Dragon Kalimantan (Cont)4/5	15/5	Sing	NOL	Cont	Sing
Banga Birol (Cont)26/4	15/5	-	Bdshp	Cont	Sing
Everise Glory	15/5	-	USTC	Cement	-
Nadel Horn	20/5	-	Able	Cement	-
San Mateo	15/5	Sing	JF	-	-
Jaya Mars (Cont)10/5	16/5	-	Baridhi	Cont	Col
Arti	12/5	Dunk	LMS	Wheat(G)	-
Banglar Robi (Cont)6/5	16/5	Sing	Ranc	Cont	sing
Ac. Teal (Cont) 21/5	16/5	Sing	QCSL	Cont	Mong
Wind Fall	16/5	Sign	NOL	Cont	sing
Bright Vega (Roro/24)	18/5	Kara	JF	-	-
Kota Cahaya(Cont) 9/5	18/5	P Kel	BBA	Vehi	-
Achiever (Cont)5/5	19/5	Sing	PIL(BD)	Cont	Sing
Phaethon	20/5	Sing	RSL	Cont	-
Budi Teguh (Cont) 10/5	20/5	Sunt	OWSL	Sugar(G)	-
	20/5	Sing	RSL	Cont	Sing