

Next round of global trade talks begins in November

US attaches top priority to reducing farm tariffs

ST LOUIS, May 25: A top US priority for the next round of world trade talks will be reducing agricultural import tariffs that average more than 50 per cent around the world, US Agriculture Secretary Dan Glickman said yesterday, reports Reuters.

In a speech to the World Agricultural Forum, Glickman said the United States would use the upcoming talks to push for a "rules-based world trading system... where food and fiber are passed freely across continents and borders."

But Glickman acknowledged that the ambitious US agenda could face considerable opposition.

"There are many powerful voices around the world that see agricultural trade not as a win-win situation, but a zero-sum game: the exporter wins and the importer loses," he said.

In the last round of world trade talks, countries agreed to replace quotas and other import barriers with tariffs.

That was viewed as a major

step toward freer trade because tariffs are theoretically less restrictive than quotas, which limit imports to a specific amount.

Tariffs are also considered more "transparent" than some other trade barriers, making it easier for traders to judge whether it's possible to make sales to a particular market.

Even so, many agricultural tariffs are so high that they effectively block all imports.

While the United States has relatively low agricultural import tariffs, the world average is above 50 per cent, compared to about four per cent for industrial goods.

Agriculture and trade ministers from more than 130 member nations of the World Trade Organisation will meet in November to begin a new round of talks on farm, services and other trade sectors.

In addition to cutting tariffs, another top US priority for those negotiations is the elimination of agricultural export subsidies, Glickman said.

Such subsidies not only distort trade, but they can be particularly damaging to developing nations by making it more difficult for them to compete in world markets, he said.

US trade negotiators have set a goal of completing the upcoming trade talks in three years. The last round began in Uruguay in 1986 and was finally completed in 1995.

Despite the ambitious US timetable, Glickman said the next round of talks could be difficult because of currently weak commodity prices that heighten protectionist impulses.

Also, emerging biotechnology issues like establishing trading rules for genetically modified crops will probably be harder to negotiate than traditional farm trade agenda items like reducing tariffs or export subsidies, he said.

Another US goal for the upcoming talks is imposing new disciplines on state-trading enterprises, such as the Canadian Wheat Board and the New Zealand Dairy Board.

The United States also supports expanding — and eventually eliminating — tariff rate quotas, which are used by some countries to restrict market access, Glickman said.

"And we must ensure the continued effectiveness of the rules covering sanitary and phytosanitary (SPS) measures so that science prevails and nations cannot mask protectionism behind invalidated, secretive studies," Glickman said.

The so-called SPS agreement was a hallmark of the Uruguay Round trade pact by imposing scientific disciplines on measures to protect human, animal and plant life and health from foreign pests, diseases and contaminants.

The agreement has been key to US efforts to force the European Union to open its market to beef from cattle treated with artificial growth hormones. The EU has banned such beef since 1989, despite decades of scientific testing that shows the beef is safe.

China's state industrial firm profits up 7.1 pc

BEIJING, May 25: China's profitable state industrial firms posted profits of 32.8 billion yuan (\$3.96 billion) in the first quarter of 1999, up 7.1 per cent year-on-year the Economic Daily reported today, says Reuters.

The state industrial firms include industrial firms wholly owned by the state and those in which the state has a majority stake.

Combined losses by loss-making state industrial firms reached 31.65 billion yuan in the three months, down 12.9 per cent, the newspaper quoted the State Economic and Trade Commission as saying.

This means state industry posted a small net profit in the first quarter, the newspaper said.

But state firms were still facing a "very arduous task" in turning profitable this year despite the improvement in the first quarter, the newspaper said.

Some 25,260 state industrial firm made losses in the first two months, accounting for 45.7 per cent of the total, the newspaper said.

Profits of profitable large- and medium-sized state industrial firms were 28 billion yuan in the first quarter of this year, up 4.8 per cent year-on-year, it said.

Profitable Chinese industrial firms, including private firms and collectives, made combined profits of 64.4 billion yuan in January to March, up 11.18 per cent from a year earlier, the newspaper said.

In the first two months, China's petrochemical and petroleum sectors reported profits of 1.23 billion yuan, the newspaper said without giving comparative figures.

The electronics industry posted profits of 1.51 billion yuan in January to February, up 145.5 per cent year-on-year, it said.

Indonesia sees 15pc rise in textile export

JAKARTA, May 25: Indonesia's textile industry expects a 15 per cent rise in exports to 3.43 billion dollars in the first half of the year, with a rush of orders ahead of the June 7 national elections, a report said today, reports AFP.

The forecast by the Indonesian Textile Association compared to exports of 2.98 billion dollars in the January-June period last year, the Jakarta Post daily said.

Emerging markets record worst year in '98: IFC

WASHINGTON, May 25: Emerging markets, once the darlings of the daring investor, recorded their worst ever year in 1998 and share prices fell in 24 of the 31 countries making up a key investors' index, the World Bank's private sector wing said yesterday, reports Reuters.

The International Finance Corporation, which publishes a series of closely watched indices for emerging markets' stocks and shares, said the performance in individual countries was "overwhelmingly negative."

"Index returns indicate that 1998 was the worst year ever for emerging markets," the IFC said in 1999 Emerging Stock Markets Factbook. "It appeared that everything that could go wrong in emerging markets did go wrong during the year."

The IFC has two main indices tracking the performance of shares in 31 emerging markets in Asia, Latin America and central and eastern Europe.

The IFCI Composites Index looks at stocks which are attractive to foreign investors and the IFCG Composites Index does not take account of investment restrictions.

The IFCI index fell a record 24.1 per cent in 1998, while the broader IFCG index was down by 22.9 per cent.

"No region was completely exempt from the contagion that effectively swept through all emerging markets," the IFC said, noting that share prices fell steeply in Latin America and eastern Europe and recorded modest declines in Asia.

The latest data take account of problems in emerging markets which started in Thailand almost two years ago and spread relentlessly across Asia

and beyond, hitting Russia in July last year and reaching Brazil three months later.

At one stage investors almost halted activity in now-risky emerging markets and it took a string of rate cuts in the rich industrialised world to prevent a dangerous credit crunch, when investors stop lending money to good risks as well as to bad ones.

The IFC said Russia's stock market, down 87.5 per cent in the year in dollar terms, was the worst performer in 1998, followed by the Ukrainian stock market, which dropped 82.3 per cent.

But South Korean shares more than doubled in value, rising 118.8 per cent in a rebound from lows hit toward the end of 1997. Shares in Greece, Portugal, Thailand and Morocco were among emerging markets which outperformed the 26.7 per cent rise in the US market.

But the IFC also said investors now appeared to be differentiating more among individual markets, assessing risk on a country-by-country basis rather than treating emerging markets as "one asset class."

"This may be good news for governments considering privatisation," it said.

"In the absence of other foreseeable catastrophes, the introduction of structural reforms, including privatisation, should encourage investors and lift stock markets, thus helping reformist governments increase the gains from privatisation."

The IFCI Composite Index recorded its best year in 1993, rising 75.3 per cent and far outperforming indices in the developed world. The index fell 16.6 per cent in 1997, with a steep decline in Asian share prices.

Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major foreign currencies against Taka									
Central Bank USD/BDT Rate: Buying — BDT 48.35/Selling — BDT 48.65									
Selling		Currency		Buying					
TT/OD	BC	USD	TT Clean	OD Sight	OD Transfer				
48.7300	48.7700	USD	48.3200	48.1599	48.0758				
0.4063	0.4066	Jpy	0.3836	0.3823	0.3816				
32.7091	32.7359	CHF	31.5552	31.4604	31.3442				
28.6243	28.6478	SGD	27.7160	27.6241	27.5759				
33.9724	34.003	CAD	32.7615	32.6530	32.5298				
5.7703	5.7750	SEK	5.6944	5.6765	5.6586				
33.0731	33.1002	AUD	30.8378	30.7356	30.5377				
12.9446	12.9552	MYR	12.5961	12.5563	12.5246				
6.3011	6.3082	HKD	6.2151	6.1945	6.1813				
13.0647	13.0754	GAR	12.8130	12.7715	12.7390				
13.3405	13.3514	AED	13.0814	13.0380	13.0047				
0.0411	0.0411	KRW	0.0407	0.0406	0.0405				
78.9231	79.9879	GBP	76.2780	76.0252	75.7482				
52.7015	52.7448	EUR	50.2770	50.1103	50.0228				
Usage export bills									
TT	DOC	30 Days	60 Days	90 Days	120 Days	180 Days			
48.2204	47.9228	47.5257	47.5257	47.0690	46.5725	46.4605			
Exchange rates of some Asian currencies against US dollar									
Indian Rupee	Pak Rupee	Thai Baht	Mal Ringit	Indo Rupiah	Sing Dollar				
42.36/42.46	50.18/50.26	37.42/37.52	3.7999/3.8001	885/8925	1.7231/7.24				
US dollar									
Buying		Selling		1 Month		3 Months		6 Months	
Cash	Notes	48.15	48.76	USD	5.62875	5.28063	5.15813	5.15609	
TC		48.1	48.7	GBP	6.5	6.34813	6	5.67531	

Market Commentary
On Tuesday in the interbank market, demand for US dollar due to import-related payment and US dollar traded in a range of BDT 48.65 and BDT 48.66. Call money rate closed lower at the range of 6.75 and 7.25 per cent.

In the kurb market, cash US dollar notes traded between BDT 49.80 and BDT 50.00.

In the international market, dollar was on the retreat sliding back towards one week lows plumed overnight against yen amid concern about US stocks. A drop of 1.61 per cent in the Dow Jones industrial average on Monday spurred concern about the impact US stock losses could have on the economy.

Another fall in the equity market has the potential to push US dollar lower still.

Pound extended its losses against euro. An unexpected downward revision to British first quarter gross domestic product has only added to gloom about sterling's prospects by talk of lower interest rates.

At 1614 hours local time dollar traded at 122.43/53 JPY, GBP traded at 1.6016/21 USD and EUR Roat 1.0627/33 USD.

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 25-5-99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of Leaving arrival
J/1	Jaami	Rice(P)/GI	Kara	Royal	26/4
J/2	Alam Tegas	Sugar(G)	Kohsi	Seaglor	2/5
J/3	Al Muztuba	Rice(P)	Kara	CLA	7/5
J/4	Golden Chase	GTSP	Tampa	SSST	28/4
J/5	Dubai Odyssey	Rice(P)	Kara	Seacon	26/4
J/6	Taraman Bibi	C Clink	Karab	MBL	9/5
J/7	Progresso-1	Wheat(P)	Sing	Seaglor	13/5
J/8	Ocean-1	GI	Yang	SMSL	8/5
J/9	Yang Lin	GI	S Hat	Bdship	2/5
J/10	QC Mallard	Cont	P Kel	QCSL	22/5
J/11	Vishva Parimal(N Pri)	DAP	Sing	Litmond	4/5
J/12	San Pablo (Roro/24)	Vehi	Col	JF	23/5
J/13	Kota Cahaya	Cont	Sing	Pil (BD)	18/5
CCT/1	Bunga Mas Lapan	Cont	P Kel	WOSL	21/5
CCT/2	QC Pintal (Flag)	Cont	Sing	QCSL	24/5
CCT/3	Budi Teguh	Cont	Sing	RSL	19/5
RM/14	Humber	Cement	Jaka	ABLE	7/4
RM/15	Lestari Utama-II	C Clink	Indo	PSAL	4/5
CCJ	Yangli	C Clink	Jaka	PSAL	20/5
GSJ	Arti	Wheat(G)	Dunk	Lams	18/5
TSP	Blue Angel	Sulph	Iran	CCNL	21/5
RM/5	Chilham Castle	SKO	Kuwa	MSTPI	23/5
RM/6	Kyong Song	Cement	Jaka	USTC	R/A
DDJ/1	Banglar Jyoti	C Oil	Idle	BSC	R/A
RM/8	Unity	Tanary Star	Para	PSAL	17/5
RM/9	Banglar Urml	Repair	Idle	BSC	R/A
CUFLJ	Mary Nour	Cement	Lang	BSL	21/5
Kafco(U)	Tia Estela			MBL	R/A

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
BUTI	26/5		ABLE	Cement	
Bunga Mas Lima (Cont)	16/5	25/5	P Kel	BOSL	Cont
Star Glory	25/5		PSAL	Cement	Sing
Eliza (Cont)	17/5	26/5	CSO	Baridhi	Cont
Troianu	25/5		Sunshine	GI(Bitume)	Col
Skamneli	25/5		MMI		
Alpine	26/5		SMSL	GI	
Phaethon	2/5		Sant	OWSL	Sugar(G)
Hickory	26/5		Karna		
Odin I	25/5		TSI	Scraping	
Kota Sing (Cont)	18/5	26/5	Sing	Pil(BD)	Cont
Dubai Orient(28/20/5	26/5		Seacon	S Coil	Sing
Munajat	26/5		HSO	Cement	
Revenge	3/6		Sunshine	Salt	
Fivi	27/5		Dunk	LSC	What(G)
Triumph Hong Kong(48/20/5	28/5		Sing	RML	St.Coil
Bunga Mas Enam(Cont)	20/5	28/5		EOSL	Cont
Hai Nan No.1	28/5		Bang	OWSL	Sugar(G)
Manhattan	27/5		Algec	ARL	Scraping
Banglar Maya	27/5			BSC	GI
Karana Sembilan(48/10/5	28/5		Everett	GI	
Bruza Azul (48/10/5	28/5		Everett	GI	
Buxmoon (Cont)	18/5	30/5	Sing	QCSL	Cont
Spiros	29/5		Shoko	Litmond Moplin Bag	Sing
Nadel Horn	30/5		ABLE	Cement	
Banga Biraj (Cont)	18/5	30/5	Sing	Bdship	Cont
Kota Naga (Cont)	20/5	30/5		Pil(BD)	Cont
Bhavabhu (28/20/5	30/5		SSLL	St.Coil	
Cardhu	30/5		Everett	GI	Cal, Sing
Dragon Kalimantan(Cont)	23/5	1/6		APL	Cont
Ultima (Cont)	12/5	26/5	Kala	QCSL	Cont
Banglar Robi (Cont)	23/5	2/6		BSC	Cont

Tanker due

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
General Merkiladze	25/5		TSP	SKO	
Clarity	27/5	B Abb	ECSL	HSD(RM-6)	
Pranedy Pratama	26/5	Sing	CTPL	FO (RM-4)	
Pratibha Godavari	30/5	Mina	MSTPL	HSD/MSI	
Aniva	30/5	Kala	Litmond	C Oil	

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Energy Explorer-IV			BBAL	5/4
Seabulk Command			IBS	R/A(5/5)
Walter		Kara	JF	R/A(19/5)
Mac Tide-27			JF	R/A(19/5)

Vessels at outer anchorage

Ready on				
Tasmia	URFA	UAE	Nishan	8/5
Rattana Naree	Rice(P)	Sing	USTC	9/5
Sun-II	Wheat(P)	Turk	Rainbow	3/5
Agios Nicolae	Wheat(P)	Turk	MSA	24/4
Handy Lander	GI	Sing	Rainbow	16/5
Banglar Doot	Rice(P)	Pak	BSC	11/5
Yong Jiang	GI	S Hal	Bdship	18/5
Wind Fall	GI	Sing	Oil	18/5
Sea Eagle	Cement	Pada	Unicorn	18/5
Sun Bright	GI	Sing	Seaglor	21/5
Ganga Nagara	GI	Kaus	Prog	21/5
Karuna Lestari-II	Rice(P)	Kochi	PSAL	22/5
Admiral	Cement	Pada	RML	8/5
Hyoksin	Cement		USTC	22/5
Morning Star				
Xpress Resolve(Cont)	Cont	Sing	RSL	23/5
Johliant	GI(Log)	Yang	USTC	24/5
Kota Berjaya(Cont)	Cont	Sing	Pil(BD)	24/5
Siamvory (48)	GI	Sing	FSPSL	25/5

Vessels awaiting instruction

Karya Sentosa	Rice(G)	</
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