Cancer-causing dioxin-contamination fear

Singapore widens ban on European food imports

SINGAPORE, June 6: Singapore has widened a food import ban from Europe covering dairy products and anything made with them, Singapore's Sunday Times newspaper reported, says Reuters.

Singapore had earlier suspended imports of meat and egg products from Europe.

The Primary Production Department deputy director Chua Sin-Bin said that as a precautionary measure, the public should not buy or eat European meats, egg and dairy products, or anything made with them.

The ban could be lifted as early as next week, Chua said.

The measure followed reports that dioxin-contaminated feed from Belgium might have been exported to other European countries. Dioxin is a cancer-causing chemical.

Chua said the public could keep foods from other European countries until the authorities had verified with the respective countries that they too are not tainted.

The European Union's Executive Commission on Friday formally extended restrictions already imposed on Belgian chickens and eggs to pork, beef and dairy products from farms which may have received feed contaminated with dioxin.

There are now around 1,000 farms in Belgium which may have received feed contaminated with dioxin, supplied by a Belgian oils and fat maker.

France quarantined 66 cattle producers in Normandy amid fears that they may also have used tainted feed. France earlier this week quarantined at least 80 poultry farms.

Belgium seeks to restore confidence

AFP says from Brussels: Belgium was yesterday seeking to restore confidence in its battered food industry, as Asian countries became the latest to slap a ban on imports of products feared laced with dioxin.

Hong Kong and Singapore Saturday banned imports of European chicken and pork, joining a growing list of countries to turn away European foods suspected of containing the cancer-causing chemical-introduced into the food chain through Belgian animal feed.

The move follows similar action across Europe and the United States, which have seen supermarkets clearing shelves of possibly-contaminated food.

Japan, meanwhile, has stepped up controls to detect the chemical, whose presence in animal feed was first revealed by Belgian authorities to European Union officials on May 27 at least a month after they learned of a potential problem.

Saudi Arabia also suspended imports of chicken and eggs from Belgium Saturday as a "provisional" measure, the commerce ministry announced.

The food scare has alarmed consumers on a scale not seen in Europe since the British beef crisis, sparked by revelations of "mad cow" disease and its link to a fatal human brain disorder.

The European Commission (EC) called the Belgian delay in providing full information on the dioxin situation "unacceptable."

Belgian Prime Minister Jean-Luc Dehaene is trying to contain the scandal ahead of legislative and European elections on June 13.

Dehaene rushed back Friday from a European Union summit in Cologne, Germany, for a 10-hour meeting with his ministers to tackle the issue, which has prompted the European Union and individual states to issue broad bans on Belgian food.

"Restoring consumer confidence is the highest priority," the premier said at a late-night press conference, adding there had been no "generalised contamination by dioxin" in the Belgian and European food chain.

However, Belgians headed Saturday for neighbouring countries to do their shopping, some even crossing the Channel to buy British beef, which is theoretically still embargoed on the grounds of "mad cow" disease.

Clients at a supermarket in Mouscron on Saturday look at a notice stating that eggs have been withdrawn from sale following the dioxin-contaminated poultry scandal. Beef and pork have also been withdrawn and there are reports of Belgians heading to neighbouring countries to do their shopping.
—AFP photo

Mexico sees further cuts in oil output

KUWAIT CITY, June 6: Mexican Energy Minister Luis Tellez said here today after talks in Saudi Arabia that major oil producers could extend their output cuts into the first quarter of 2000 to keep prices stable, reports AFP.

Tellez, who flew in for talks with Kuwaiti Oil Minister Sheikh Saud al-Nasser al-Sabah, saw "a strong possibility of extending cuts until April," although it was too early for a firm commitment.

OPEC and non-OPEC producers, like Mexico, would meet in the third or fourth quarter of this year to decide on the strategy for 2000, he told reporters. "We should have informal talks in order to look ahead for the year to come and have a strategy that will allow prices to stay at least at current levels," said Tellez.

"We think, with a group of OPEC and non-OPEC members, it's important to have a strategy and that's why I'm visiting Kuwait ... in order to keep market stability in place," he said.

Tellez said Mexico was "fully committed" to its pledged cuts until the end of December.

On Saturday, Tellez and Saudi Oil Minister Ali bin Ibrahim al-Nuaimi said in a joint statement after talks in Riyadh that they were determined to boost crude prices.

The two producers agreed "to cooperate and coordinate with other producers to take the necessary steps to support an improvement in prices."

Talks with pilots again this week

More Cathay Pacific flights cancelled

HONG KONG, June 6: Cathay Pacific Airways and senior pilots who have disrupted hundreds of flights by calling in sick for 10 days will talk again this week ahead of a Friday deadline for aircrews to accept pay cuts or be fired, says Reuters.

Under pressure from the Hong Kong's government, Cathay and the pilots' union held their first talks in more than two weeks on Saturday, meeting for five hours, to try to resolve the pay dispute.

"There was an exchange of views... and it was agreed another meeting will be held sometime next week," Hong Kong's assistant commissioner for labour, Tsang Kin-Woo, said after the talks.

Despite the agreement to try again, Cathay said large numbers of pilots called in sick on Sunday, forcing the airline to cancel 55 of its scheduled 116 flights.

Senior Cathay pilots, some making HK$3.7 million (US$477,000) a year with housing and other allowances included, have said they are suffering from stress due to Cathay's deadline.

One of Asia's largest airlines, Cathay broke off nine weeks of talks last month and set a June 11 deadline for more than 600 senior pilots to accept a new contract with pay cuts of seven to 22 per cent. The alternatives were to retire early or be fired.

The pilots' union, the Aircrew Officers Association (AOA), told aircrews to reject the contract and said it would call a strike vote if any pilot is fired.

The "sick out" is costing Cathay about HK $30 million a day, and perhaps more as it builds up a fleet of charter aircraft to help compensate for cancelled flights, airline analysts said.

Cathay says it will have more than 20 charger aircraft in service this week, flying more than 50 daily flights. That means it will handle about 80 per cent of its normal schedule.

Asia's two-year economic crisis caused sharp falls in travel and tourism, pushing Cathay into a HK$542 million loss in 1998 — its first in 35 years.

The pay cuts, in exchange for share options, are aimed at trimming HK$1.5 billion in costs over 10 years but Cathay said when talks with pilots broke down last month there was a HK$2.5 billion gap between their positions.

Analysts have predicted the airline would return to profit this year, but the labour dispute and strike threat have made some revise their views.

"I think they will post a loss this year. The market number is for a HK$500 million to HK$600 million net profit, compared to my HK$150 million loss," Nomura International aviation analyst Mark Simpson said.

Analysts said other major companies in Hong Kong would watch closely, and the outcome could influence their plans to cut pay to adapt to Hong Kong's recession-hit economy.

If the dispute causes a three-week suspension of services, that would cause Hong Kong something like HK$7 billion to HK$7.5 billion in revenues in terms of gross domestic product, 0.3 to 0.4 per cent of GDP," Kevin Chan, head of Greater China research at Nomura International, said.

"So the impact is minimal. But I think what is more important is that most of the corporates will look at Cathay as a benchmark for their won wage adjustment and labour policy," he added.

Exchange Rates

Following are yesterday's **Standard Chartered Bank** rates of major currencies against Taka:

Central Bank USD/BDT Rate: Buying - BDT 48.35/Selling - BDT 48.65

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer
TT/OD	BC		TT Clean	OD SIGHT DOC	OD TRANSFER
48.7300	48.7700	USD	48.3200	48.1599	48.0758
0.4124	0.4128	JPY	0.3936	0.3923	0.3917
32.6696	32.6964	CHF	30.7262	30.6244	30.5127
28.8890	28.9127	SGD	27.3334	27.2428	27.1952
34.0769	34.1049	CAD	31.9894	31.8834	31.7040
5.8085	5.8132	SEK	5.4755	5.4571	5.4455
34.0720	34.100	AUD	29.8956	29.7965	29.6002
12.9605	12.9711	MYR	12.5830	12.5413	12.5096
6.3319	6.3371	HKD	6.1818	6.1613	6.1482
13.0998	13.1106	SAR	12.7800	12.7377	12.7053
13.3771	13.3881	AED	13.0461	13.0028	12.9696
0.0413	0.0414	KRW	0.0406	0.0408	0.0404
79.7125	79.7780	GBP	76.5775	76.3238	76.0462
52.0388	52.0815	EUR	48.6727	48.5114	48.4267

Usance Export Bills

TT DOC	30 days	60 days	90 days	120 days	100 days.
48.2204	47.9228	47.5257	47.0690	46.5725	45.4605

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	THAI Baht	Mal. Ringgit	Indo. Rupiah	Sing. Dollar
42.36/ 42.46	50/18/ 50.26	37.42/ 37.52	3.7999/ 3.8001	8850/8925	1.723/ 1.724

US dollar			LIBOR				
	Buying	Selling		1 Month	3 Months	6 Months	12 Months
Cash notes	48.15	48.75	USD	6.62875	5.28063	5.15813	5.15509
T C	48.1	48.7	GBP	6.5	6.34813	5	5.67531

Market commentary

On Sunday, trading in the local forex market was moderate and in the interbank market US dollar was traded in a range of BDT 48.65 and BDT 48.67. Call money rate closed higher at the range of 9 and 11 per cent.

In the kerb market, cash US dollar notes traded between BDT 49.85 and BDT 50.00.

International markets were closed due to weekend.

At New York closing on Friday, dollar traded at 122.15/25 JPY, GBP traded at 1.6098/08 USD and EUR at 1.0373/79 USD.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 6.6.99

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Rattana Naree	Rice(P)	Sing	USTC	8/5	10/6
J/2	Well Run	C.Clink	Crabi	H&SL	31/5	14/06
J/3	Sun Bright	GI	Sing	Seaglory	21/5	-
J/4	Banglar Doot	Rice(P)	Pak	BSC	11/5	7/6
J/5	Yong Jiang	GI	S.Hai	Bdship	18/5	7/6
J/6	Karna Sembilan (48)	GI	Hal	Everett	2/6	7/6
J/7	Progreso-1	Wheat(P)	Sing	Seaglory	13/5	8/6
J/8	Ganga Nagara	GI	Kaus	Prog	21/5	13/6
J/9	Hainan NO.1	Sugar(G)	Sing	OWSL	31/5	11/6
J/10	Sun-II	Wheat(P)	Turk	Rainbow	3/5	10/6
J/11	Tasmia	Urea	Uae	Nishan	8/5	16/6
J/12	Banglar Robi (Flag)	Cont	Sing	BSC	3/6	7/6
J/13	Kota Naga	Cont	Sing	PIL(BD)	24/5	6/6
CCT/1	Jaya Mars	Cont	Col	Baridhi	3/6	7/6
CCT/2	Dragon Kalimantan	Cont	Sing	NOL	31/5	7/6
CCt/3	Buxmoon	Cont	Sing	QCSL	31/5	7/6
RM/14	Humber	Cement	Jaka	Able	7/4	7/6
RM/15	Eka Lestari	C.Clink	Jaka	PSAL	1/6	10/6
CCJ	Yonglly	C Clink	Jaka	PSAL	20/5	6/6
GSJ	Banglar Kakoli	Wheat(C)	-	BSC	R/A	8/6
TSP	Blue Angel	Sulph	Iran	CCNL	21/5	3/6
RM/5	Clarity	HSD	B.Abb	ECSL	26/5	6/6
RM/6	Banglar Jyoti	-	-	BSC	R/A	8/6
DOJ	Admier	Cement	Pada	RML	8/5	8/6
DD	Jaami	Repair	Kara	Royal	26/4	7/6
DDJ/1	Tanary Star	Idle	Para	PSAL	-	
DDJ/2	Seabulk Commanr	-	K.Dia	IBS	R/A	
RM/ 8	Unity	Idle	Mong	SSST	17/5	5/5
RM/9	Banglar Urmi	Repair	-	BSC	R/A	11/6
CUFLJ	Mary Nour	Cement	Lang	BSL	21/5	6/6

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Andhika Tarunaga (48)27/5	3/6	Yang	RML	GI(St.Coil)	-
Zoom Ocean	4/6	-	Able	Cement	-
Shannon	4/6	-	Litmond	Sugar	-
Star Glory	5/6	-	PSAL	Cement	-
Erkan Mete	1/6	Ilyc	Litmond	Mop In Bulk	-
Phaethon	2/6	Sant	OWSL	Sugar(G)	-
Bunga Mas Lapan (Cont)27/5	6/6	PKL	EOSL	Cont	Sing
Qc Mallard (Cont)31/5	6/6	Sing	QCSL	Cont	Sing
Hinrich Oldendorff	7/6	Kand	MBL	Urea	-
Banga Birol (Cont) 24/5	5/6	-	BD Ship	Cont	-
Qin Ling	7/6	-	Seacom	R.Phos	-
Bhavabhuti (48) 20/5	2/5	-	SSLL	ST. Coil	-
Ingenutty (Cont) 25/5	6/6	Sing	RSL	Cont	Sing
APL Violet (Cont)	7/6	-	NOL	Cont	-
Qc Pintail (Cont)27/5	7/6	-	Nol	Cont	-
Kota Cahaya (cont)30/5	7/6	Sing	PIL(BD)	Cont	Sing
Coral Hero (48)1/6	7/6	Yangd	Everett	GI	Cal Sing
Budi Teughu (Cont) 1/6	7/6	Sing	RSL	Cont	Sing
Banglar Moni (Cont)25/5	8/6	Sing	NOL	Cont	Sing
Xpress Resolve (Cont)1/6	9/6	sing	RSL	Cont	Sing
Sin hai (Cont)) 25/5	2/5	Sing	RSL	Cont	Sing
Banglar Monic (Cont)25/5	9/6	Sing	NOL	Cont	Sing
Shun An (48) 30/5	5/6	-	RML	GI(St.Coil)	-
Qc Teal (Cont)31/5	10/6	Sing	QCSL	Cont	sing
Bunga Mas Lima (Cont)1/6	1/6	P.Kel	EOSL	cont	Sing
D Fa (Cont)27/5	1/6	Sing	RSL	Cont	Sing
Revenge	3/6	-	Sunshine	Salt	-
Kota Berjaya (CoN)2/6	12/6	Sing	PIL(BD)	Cont	Sing
Eliza (Cont) 3/6	12/6	-	Baridhi	Cont	Col
Ultima (Cont)3/6	13/6	-	QCSL	Cont	sing

Vessels at outer anchorage

Ready on

Aghlos Nicolas	Wheat(P)	Turk	MSA	24/4
Karinta Lestari-II	Rice(P)	Kochi	PSAL	22/5
Hyok Sin	Cement	-	USTC	22/5
Troianu	GI(BIT)	-	USTC	22/5
BUTI	Cement	Pada	Able	26/5
Banglar Maya	GI/Rice	Kara	BSC	27/5
Zyenep Kaptanoglu	Wheat(P)	P.Said	OWSL	3/5
Agios Gerassimos	Cement	Sign	PSAL	13/5
Kota Naga (Cont)	Cont	sing	PIL(BD)	30/5
Spiros-C	Mop	Sheko	Litmond	30/5
Handy Esperance	S.Pease	Sing	Litmond	30/5
Ocean Wave	Cement	Sing	PSAL	11/5

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

G8 to approve temporary capital controls

TOKYO, June 6: The Group of Eight will give their approval to temporary controls over short-term capital flows at their upcoming summit in Germany, a report here said today, reports AFP.

The G8 — the Group of Seven industrialised powers plus Russia — will agree on the need for developing countries to adopt controls as an "exceptional measure" while continuing to support the principle of free capital movement, the Asahi Shimbun daily said.

The G8 countries expect the temporary capital controls to help developing economies avert the type of economic crisis seen in some Asian countries and Latin America, the daily said.

The eight countries are also expected to agree on a stricter disclosure requirement for hedge funds, the report said.

The daily said last week that Japan would announce a waiver of 400 billion yen (3.3 billion dollars) in loans for heavily indebted nations at the summit in Germany on June 18.

Aussie gold industry upbeat despite gloomy outlook

SYDNEY, June 6: World gold prices are near 20-year lows and production is forecast to slump, seriously affecting Australia's overall trade performance, but local miners remain optimistic, says AFP.

Gold is Australia's largest manufactured export in an industry employing 60,000 people and generating more than six billion dollars (3.9 billion US) annually.

It accounted for nearly 11 per cent of Australia's total commodity exports in 1998 with only South Africa and the United States producing more of the precious metal.

But the country's leading commodities forecaster says that while miners will be relatively immune to global price slumps in the short-term, production is forecast to drop more than 20 per cent by 2010.

A protracted fall in the gold price followed the unveiling by Britain last month of plans to sell off more than half its gold stocks.

In its latest analysis, the Australian Bureau of Agricultural and Resource Economics (ABARE) said output would rise slightly next year and then decline to 246 tonnes in 2110, from 310 tonnes in 1999.

Between 1992 and 1997 Australian production grew on average 16 per cent.

March-quarter output figures showed negative sentiment has already hit the market with production dropping to 75.2 tonnes, or 2.42 million ounces, compared to 81.2 tonnes in the three months to December.

Central banks also seem determined to reduce their gold reserves while investors are increasingly switching to more fashionable stocks.

Michael Folie, managing director of Acacia Resources, recently told reporters the industry had driven down production costs and argued that there was little room for improvement on the business side.

"It's still hard to find gold. Gold is the ultimate reserve and I believe it will always have a role," he said, adding that people were "missing the plot".

He was referring to the efficiency and sophistication of Australian miners which he said was often overlooked by investors focusing on the free-falling spot price of gold.

Gold producers here generally do not rely on spot when selling, instead having access to hedge tools and selling forward — effectively using futures markets.

The larger companies, which account for about one-third of total production, are able to produce gold for less than the spot price.

"A number of us are good, sound companies, but every time the gold price moves, we go down in share price," Folie said.

Normandy Mining managing director Ian Gould said forward selling would help the industry through the tough times and only those who did not have their costs under control would find themselves in "difficult circumstances".

A farmer gathers the cabbages on his plot of land in the suburb of Beijing on Sunday. China has recently launched an agriculture plan to ensure it can feed the world's most populous nation into the next century.
—AFP photo

Weekly Currency Roundup

Most Asian units firm against dollar

HONG KONG, June 6: The yen ended down against the dollar after a volatile trading week but most other Asian currencies closed on Friday little changed or slightly higher compared to the previous week, says AFP.

Strength in a leading commodities index pushed up the Australian unit but brokers said it could slip in coming days.

Japanese yen: The yen fell back against the dollars in a volatile week but prospects of higher US interest rates capped the greenback's upside, dealers said.

The yen was at 121.60-63 to dollar late Friday, down from 120.51-54 a week earlier.

"It is hard to mount dollar-buying," said a dealer at the Industrial Bank of Japan, pointing to declines in US bond prices due to fears of inflation in the United Sates.

Higher US interest rates may seem like a positive factor for dollar buying in the short term but would lead to selling on Wall Street which would bring down the dollar along the way, dealers said.

After a weak start the yen climbed to 120.53-56 to the dollar late Wednesday amid growing fears of inflation in the United States.

But it tumbled back on Thursday, hitting 121.99 at one point, on rumours that Japanese government bonds may be downgraded and that China was to devalue its currency. The yen moved little on Friday as players awaited the release of US jobs data for May later in the day.

Australian dollar: The big-picture fundamentals continue to buoy the long-term out look for the Australian dollar but it could slip in the coming week, brokers said.

"The Australian dollar may edge lower in the week ahead," said Commonwealth Bank economist Michael Blythe.

"Commodity prices have been under pressure. The widening of the current account deficit in the March quarter was a reminder that Australia's external accounts position remains a cause for concern. However we still expect the dollar to strengthen over the second half of 1999."

The local unit closed at 64.98 US cents, from 62.64 US cent a week before spurred on by strength in a leading commodities index.

On the Reserve Bank's trade weighted index, the Australian dollar closed at 58.2, the same as the previous week.

Singapore dollar: The Singapore dollar closed at 1.7262 per US dollar from 1.7248 a week earlier as the greenback held on to recent gains due to prospects of higher US interest rates and a firm Wall Street.

Hong Kong dollar: The Hong Kong dollar closed at 7.7558-7.7563 to the greenback, compared to 7.754-7.755 a week earlier.

Indonesian rupiah: The rupiah strengthened slightly to 8,148 to the dollar at close of trade Friday compared to last Friday's close of 8,175.

Philippine peso: The peso rose by 0.2 per cent over the week to close at 38.028 to the dollar on Friday from 38.105.

South Korean won: The won strengthened slightly from 1,186 per dollar a week earlier to 1,182.9 Friday.

The won has been strengthening as foreign currency reserves keep growing. They totalled 58.73 billion dollars at the end of May, up 2.35 billion dollars from the previous month.

Taiwan dollar: The Taiwan dollar was barely changed against the US currency over the week to close at 32.742 on Saturday in narrow-range trading, dealers said.

It stood at 32.729 Monday and slightly weakened to 32.737 Tuesday. The currency edged up to 32.735 Wednesday and closed at 32.733 Thursday. The unit ended at 32.737 Friday.

Thai baht: The baht was relatively stable throughout a week of light trading with investors lacking motivation to trade in the absence of positive economic data.

Bush backs Americas free trade area

MONTREAL, June 6: Former US President George Bush yesterday gave support for plans to create a Free Trade Area of the Americas (FTAA) that would unite economies of the western hemisphere into a single free trade zone, says AFP.

An FTAA would "eliminate barriers to trade" and hopefully lead to a "hemisphere totally united," Bush said, speaking at a conference held here to mark the 10th anniversary of a previous accord, the Free Trade Agreement (FTA), which only includes Canada and the Unites States.

Bush said he was "more optimistic than ever about the future" of the FTAA project.

He also criticised the Clinton administration for failing to place higher priority on securing "fast track" presidential authority to approve trade pacts.

The former US president also expressed strong report for free trade worldwide and said it was "nonsense" to exclude China from joining the World Trade Organisation.