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### More ways to boost trade stressed

# MOU on Indo-Bangladesh chamber likely today

Top business leaders of both Bangladesh and India here yesterday stressed the need for devising more ways and means to boost bilateral trade by narrowing the current imbalance, reports BSS.

Abdul Awal Minto, President of the Federation of Bangladesh Chambers of Commerce and Industries (FBCCI), told a discussion that the signing of the memorandum of understanding (MOU) today for setting up India-Bangladesh Chamber of Commerce and Industry will be a significant step forward in promoting cooperation in trade and industry between the business communi-

ties of both the countries. The MOU is expected to be signed in presence of the visiting Indian Prime Minister Atal Behari Vajpayee and Prime Minister Sheikh Hasina.

Organised by the FBCCI, the discussion was addressed by former President of the Federation of Indian Chambers of Commerce and Industry (FICCI) AS Kasliwal, Vice President of the SAARC Chamber of Commerce and Industry Yusuf Abdullah Haroon, Additional Secretary General of FICCI VK Topa.

Besides the Directors of the FBCCI, leading businessmen

and the President of the Dhaka Chamber of Commerce and Industry (DCCI) MH Rahman were present.

"We are close and could be still closer", Kasliwal, an elderly and experienced Indian business leader, said.

He emphasised the need for amending the motor vehicle rules of India and banking and insurance procedures of both the countries to facilitate further growth of bilateral trade.

Minto said trade on regional and sub-regional basis should be increased and Bangladesh will have to expand its production base to narrow the current trade imbalance,

which is in favour of India. Massive investment is needed to increase export to India as well as to accelerate domestic consumption, he added.

Haroon said the regional countries should remove bilateral mistrust and identify common goals to protect mutual interests in view of the maneuvering of developed countries within the World Trade Organisation (WTO).

He said as it is not possible to increase Bangladesh export to India substantially, more efforts should be made to attract sizeable Indian investment to the country.

### Novartis farmer survey says

# Boro posts 15pc growth

Star Business Report

There has been quite a controversy over the actual boro yields this year. A survey in nearly all the districts show a growth of an average 15 per cent in yields over that of 1998. And the total land area brought under boro production increased by 10 per cent, said Nova News, a publication of Novartis.

Given these two facts, the land area for boro cultivation in 1999 is estimated to be around 6.9 million acres. The average production per acre is estimated at 58 maunds of paddy. This translates into a production of 10.1 million tons of rice, a bumper by all standards.

On the other hand, very little area has been brought under aus cultivation. Aus is usually grown on two million acres, half of which is high-yielding variety (HYV), the other being the local variety. The production is also around two million tons, Nova News said.

According to its field reports, aus area may be reduced to as much as 40 per cent this year. This is mainly because of the drought and the bumper boro. Aus is a rainy season crop depending much on water, but drought has left the soil condition unsuitable for it.

The government had announced procurement of rice and paddy with a view to provide price support to the farmers. But many farmers are still failing to reap its benefit because of the existing system and also the sluggishness of the programme.

There is very little scope for further procurement as the government silos are already full of grains.

On the other hand, the procurement centres are buying paddy only from businessmen and millers. As a result, farmer are hardly benefited by the government's price support programme.

The nearest paddy-purchasing centres from Dhaka are in Tangail and Joydepur. But these centres did not start their purchasing programme till late last month, said Nova News.

ture this year, but aman certainly looks bright.

The lands that have not been planted with aus seedlings will now be used for aman production. As a result, the total aman area will increase. From the last week of May, farmers have started looking for aman seeds.

The popular aman variety is BR-11, but the supply of this variety is pretty short of demand. This has again caused the prices to go up, it said.

According to field reports, a 10-kg bag of BR-11 seeds are selling at between Tk 170 and Tk 270. Other varieties like BR-30, 31 or 32 could be purchased for Tk 155 to Tk 170 a bag.

Due to dearth in BR-11, some farmers are forced to use the Indian 'Sharna' variety. Farmers have become smarter this season in cultivating aman. They do not want to take

another risk of having their aman crop marooned by floods again. So, to weather possible bashing of floods, they have turned to cultivating aman much earlier than the usual time.

But once again, the availability of seeds will determine their future. Currently, farmers have no seeds at hand as they consumed last year's aman seeds, it said.

"When farmers raise a bumper crop, prices go down. The same thing happened this year too."

According to Nova News, as crops were being harvested, prices plummeted to a low of Tk 220 per maund, from a steady Tk 250 per maund.

"With the aus failure, prices have begun to go up again, hitting Tk 250 per maund. The price is expected to surge further."



Beijingers visit an indoor movie theme park by US-based giant Universal Studios Saturday in one of the city's most modern shopping complexes. As China marches further down the road of openness and reform, Western culture, especially movies and music, has cast its spell on a large number of Chinese as communism is slowly eroded by capitalism, and all its trimmings.

### Clinton, Obuchi agree to speed up China's WTO entry

COLOGNE, Germany, June 19: Japan underlined the importance of China's role in solving international conflicts on Friday at the G8 summit here, a Japanese official said says AFP.

"It is important to secure China's constructive role for the sake of stability and prosperity in the world," Japanese Prime Minister Keizo Obuchi was quoted by the officials as telling his G8 partners.

"I would like you to cooperate to get rid of China's concern," Obuchi said, adding that he would call on Beijing to actively participate in global dialogues when he visits Beijing in July.

Some G8 leaders showed support for Prime Minister Obuchi's proposal, the official said. G8 groups Britain, Canada, France, Germany, Italy, Japan, Russia and the United States.

Earlier in the day, Obuchi agreed with President Bill Clinton to try and foster improved relations between the United States and China following the accidental air strike on the Chinese embassy in Yugoslavia. "Sound and stable US-China relations are extremely important for the Asia-Pacific region," Obuchi said. "I want to help improve the ties when I visit China in July."

Clinton thanked Obuchi for the offer, a Japanese official said.

The two also agreed to speed up China's entry into the World Trade Organisation so that Beijing can join the next round of global trade negotiations starting later this year.

### France proposes to police world food standards

COLOGNE, Germany, June 19: French President Jacques Chirac said yesterday he would urge world leaders to set up a body to police global food standards in the wake of scares over mad cow disease and genetically modified crops, says Reuters.

He told a news conference in Cologne that he would formally propose founding a World High Scientific Council during a weekend summit in the German city of the Group of Seven (G7) rich industrial countries, later joined by Russia to make up the Group of Eight.

Chirac, who fully shares his countrymen's gourmet passions, said the G7 should be doing more both to wage war on hunger and to ensure that what was available to eat was produced in a way that neither damaged the environment nor the consumer.

"Let everyone on our planet be able to eat their fill," Chirac declared. "Let everyone be able to feed themselves and their family in complete confidence."

New technologies such as genetic engineering or hormones for improving meat yields, while bringing possible benefits, should not be exploited until it had been fully established that they were safe, he said.

France has been prominent among European countries resisting imports of such produce from the United States amid simmering trade rows in recent years. Chirac also mentioned the problems of mad cow disease affecting mainly British beef and of the dioxin poisoning found in Belgian chicken this month.

He said he would give fuller details of his proposals once he had discussed them with his G7 colleagues on Saturday.

### Thai business executive shot dead

BANGKOK, June 19: Police are searching for a gunman and his accomplices in the shooting death of a business executive that followed a wild chase on Bangkok's roads, local papers reported on Saturday, says AP.

Chaiphan Thanapiwat, the 44-year-old former chairman of Songchai Thana Holdings, a construction firm, was shot and killed in his jeep Cherokee Thursday night by a gunman riding on the back of a motorcycle, the Bangkok Post reported.

The gunman and his driver had chased Chaiphan for several kilometers (miles) at high speeds until the executive's car, which had rammed several others while trying to escape, became caught in traffic at an intersection in eastern Bangkok.

The gunman pulled alongside Chaiphan's trapped vehicle and opened fire, killing him. Police speculated that the killing was motivated by a business or gambling dispute, the paper said. Officers recovered several credit cards and a bank book from Chaiphan's car.

The bank book showed he had more than 500 million baht (dolls) 13.5 million in his account, but police suspect it is a forgery because there were no interest payments recorded.

Thailand's court system is extremely slow moving, and settling business disputes with hired gunmen is common. Most frequently, gunmen shoot their victims from the back of a motorcycle.

# Profit-taking takes shine off oil's recent rally

LONDON, June 19: Profit-taking took the shine off a recent oil price rally yesterday as concern faded that exports could be disrupted from Nigeria, Africa's biggest oil producer, says Reuters.

Brent blend for August delivery slipped 26 cents to close at \$16.50 but remained within a dollar of a 17-month peak of \$17.20 struck earlier in the week.

Brent has gained almost \$2 a barrel this month as tougher than expected output cuts by the Organisation of the Petroleum Exporting Countries have started to nibble away at bloated global inventories of oil.

Further strength has come from the reappointment of Saudi Oil Minister Ali al-Naimi, an architect of OPEC's price rescue attempt, and signs of resurgent global demand for oil.

Confidence that the market is heading OPEC's way has helped keep Brent apparently on target to reach the exporters'

goal of \$18 to \$20 later in the year following a slump to below \$10 in February.

But further big improvements may depend on hard evidence that the OPEC cuts are producing a sizeable reduction in the world's stockpiles of surplus crude, they said.

A note of uncertainty had been injected into dealers' calculations this week by the first major trade union action in Nigeria since 15 years of military rule ended on May 29.

However, Royal Dutch/Shell Group said late on Friday that normal operations had resumed at its Nigerian oil producing unit following an end to the strike which began on Monday.

The shell Petroleum development Company of Nigeria has announced a conclusion of negotiations between management and the two workers' unions. As a result normally operations have resumed, the group said in a statement in Lagos.

The strike by workers of the

white-collar PENGASSAN and blue collar NUPENG unions did not affect loadings at Shell's Forcados and Bonny terminals and Shell officials reported only minor disruptions to production.

Industry sources had warned that loadings could have been delayed if the strike had lasted any longer.

Any stoppage by Shell Nigeria workers draws close market attention as the company is the biggest oil operator in Nigeria and accounts for about half the country's total output of 1.885 million barrels per day. Crude oil is Nigeria's main export.

However, no sooner had the Shell strike been settled than Texaco shut two offshore oil platforms in Nigeria after youth protestors from a nearby community boarded the platforms to protest about a year-old oil spill.

A company spokesman said the protest was peaceful and that he was hopeful for an early resolution to the dispute.

# Rich nations' stand on global financial crime, tax evasion

COLOGNE (Germany), June 19: Following is the statement made by the Group of Seven industrial countries at a summit in Cologne on Friday on financial crime, harmful tax competition and international tax evasion, reports Reuters.

"In order to secure the benefits of the globalisation of financial markets and the introduction of new information technology, the fight against financial crime must remain a priority of national and international policy. We reaffirm our concerns regarding problems raised by underregulated and noncooperative jurisdictions, including many offshore financial centers, in the fight against money laundering and other financial crimes.

"We welcome the work of the G7 finance ministers on financial-crime and regulatory issues. We will be promoting the Key Principles they have drawn up for improving the exchange of information between supervisory authorities and enforcement authorities, throughout the world as standards to which all countries should aspire.

"We welcome and support the work of the Financial Ac-

tion Task Force on Money Laundering (FATF) to identify jurisdictions which fail to cooperate effectively in the international fight against money laundering and thus facilitate the laundering of proceeds from corruption and organised crime. The FATF should take concrete steps to bring offshore financial centers and underregulated and noncooperating jurisdictions into compliance with the 40 recommendations against money laundering and to protect the international financial community from the adverse impact of those that do not comply. We call upon our Ministers of Finance, in coordination with other Ministers,

in particular with Ministers of Justice and the Interior, to coordinate the development and implementation of complementary positions regarding offshore financial centers and the FATF's work on non-cooperative jurisdictions in the various fora where these issues are being addressed.

"We welcome the establishment of the OECD's Forum on harmful tax competition and the actual start of implementing the guidelines and recommendations adopted by the

OECD with respect to the harmful effects of unfair tax practices. We strongly endorse the current work programme of the Forum, in particular the efforts to identify tax havens. We also support the Forum's intention to engage in a dialogue with jurisdictions identified through this process. We urge that this work be given a high priority.

"We also note the ongoing work to implement the code of conduct within the European Union.

"We welcome the progress made by the OECD's Fiscal Committee and the FATF to explore further the links between tax evasion and avoidance and money laundering, and in particular to ensure the effective flow of information to tax authorities without undermining the effectiveness of anti-money laundering systems. We encourage each group to continue working on their respective responsibilities.

"We urge the OECD to continue to address the barriers limiting effective exchange of information between tax authorities, in particular those which arise from excessive bank secrecy rules.

### SC stays HC order on Delta Life EGM

The Supreme Court on Thursday stayed a High Court order which banned holding of Extraordinary General Meeting (EGM) of Delta Life Insurance Company Limited, according to a company press release issued yesterday.

Earlier, the Board of the company was reconstituted in an Extraordinary General Meeting (EGM) on May 15, 1999. But the High Court stayed the proceedings of the EGM following move from six sponsors of the company.

The High Court order was stayed till July 7, 1999 by the Appellate Division Bench.

However, the re-constituted Board has decided to hold meeting tomorrow.

### Many countries turn to S'pore for Y2K help

SINGAPORE, June 19: Government officials from nine countries — ranging from Papua New Guinea to Peru — have visited Singapore for a crash course in battling the Year 2000 computer glitch, a news report said Saturday, reports AP.

The delegates were taking up Singapore's offer of free Y2K-related help for members of the Asia-Pacific Economic Cooperation, or APEC, The Straits Times newspaper said.

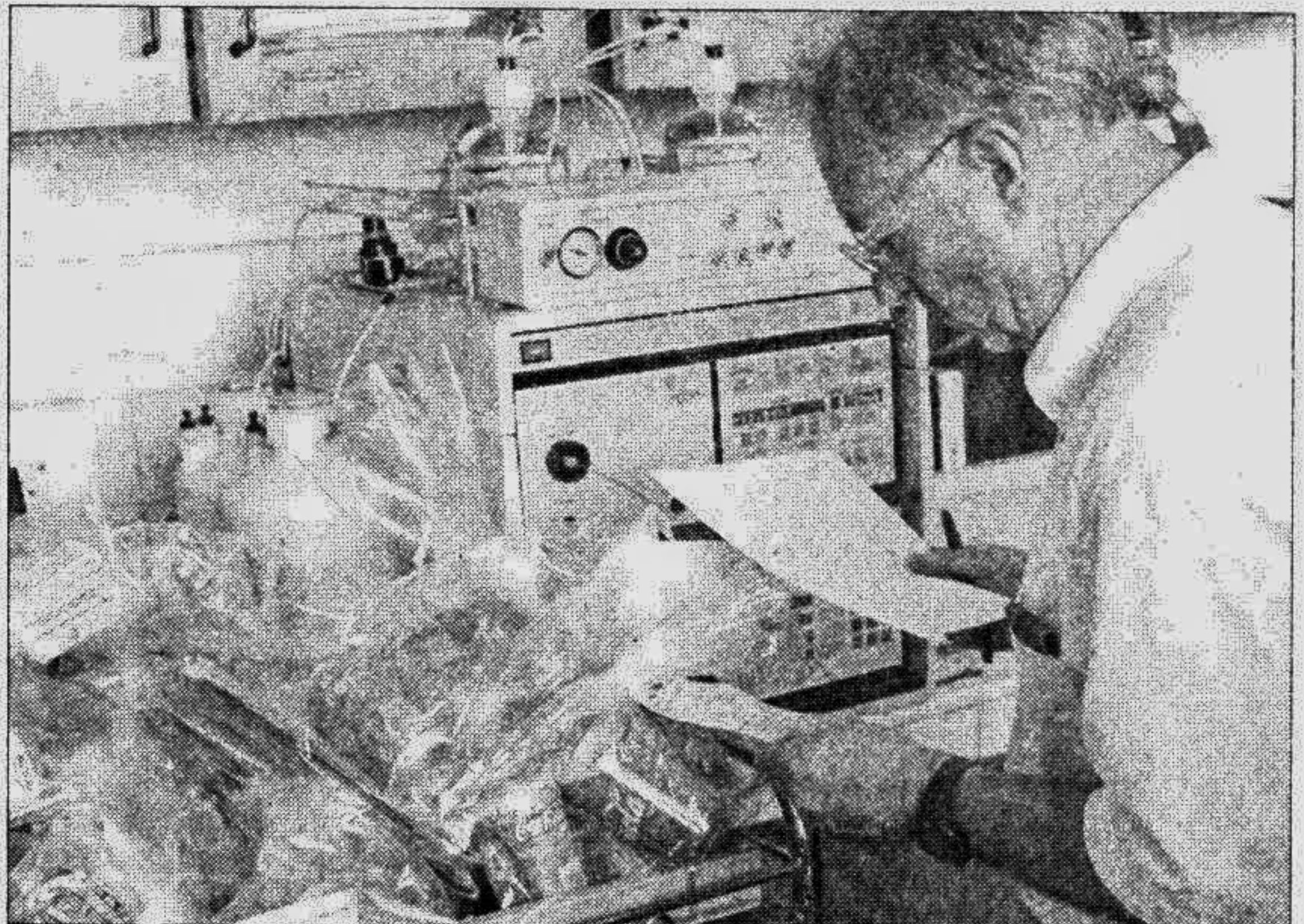
Singapore, a wealthy, computer-savvy country, considers itself well-placed to deal with the feared "millennium bug," the inability of some systems to cope with years ending in two zeros.

The five-day course, held in early June, consisted of classroom sessions as well as field trips to view Y2K preparations at Singapore Airlines, Singapore Telecommunications and other institutions.

Countries that took part in the course were Brunei, Chile, Indonesia, Malaysia, Papua New Guinea, Peru, the Philippines, Thailand and Vietnam, the newspaper said.

Singapore in April offered Y2K help to any developing country within APEC.

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



A lab technician checks the origin of a sample of Coca-Cola cans in Bordeaux Friday. The Coca-Cola bottling plant in Dunkirk, northern France, their largest in Europe, has been shut down until tomorrow after about 200 people said they felt ill after drinking some Coca-Cola products in Belgium, France and Luxembourg. Belgian anti-toxic center said the reasons Coca-Cola gave for the contamination were inadequate. — AFP photo

# Japan gets yen sold through ECB for third time

LONDON, June 19: Japan's recruitment of the European Central Bank to its campaign to control the unruly yen demonstrates its ability to use central banking connections as a booster for its own exchange rate armoury, says Reuters.

Japan channelled sales of yen for euros through the ECB on Friday as the world's most powerful nations were meeting in Cologne, Germany and as bilateral talks between German Chancellor Gerhard Schroeder and Japanese Prime Minister Keizo Obuchi took place.

Its intervention was the third time it has sold yen in less than two weeks to curb the currency's strength. The move underlined Japan's commitment to ensuring its economic recovery remained on track even as the country was being urged to do its utmost for its economy.

It was also seen as a demonstration of cooperation between Japan and the 11-nation euro zone with the Bundesbank, the Bank of France, and the Bank of Italy all reported to have acted as conduits for sales of yen. These are the central banks of the three countries which are in both the euro zone and the G7.

While the United States was notable by its absence, analysts

said the choice of euro/yen as a vehicle for Japanese intervention was likely to have found favour with euro zone politicians who did not have to use their own reserves to engineer a rise in their flagging currency.

"This reinforces the idea of international cooperation and suits at least two out of three of the major powers," said Nick Parsons, currency strategist at Paribas Capital Markets.

"There are no losers in this game and champagne corks will be popping in Cologne and Frankfurt tonight."

Expectations were reinforced that Japan's intervention would go down well with G7 leaders after a White House official said US President Bill Clinton told Japanese Prime Minister Keizo Obuchi to use all tools at his disposal to spur Japanese growth.

Meanwhile Obuchi told German Chancellor Gerhard Schroeder that he hoped the relationship between the euro and the yen would be closer.

"The general perception is that this shouldn't be taken lightly," said Yui Tashiro, a dealer at Daiwa Europe Bank. "The fact that the BOJ went through the ECB means this is in effect a coordinated intervention."

This view was reflected by the broad-based surge in the euro seen in the wake of Japan's vicarious yen spending spree, which was rumoured to have totalled as much as \$3 billion.

The European single currency leapt more than three yen from a life low of 122.60 and pulled away from all-time lows against the dollar by leaping 1.25 cents to peaks of \$1.0422.

Meanwhile, the dollar rallied as far as 120.94 yen, its strongest in one and a half weeks and nearly two yen above the day's lows at 119.00.

The yen had returned to those levels despite the Bank of Japan intervening on its own account twice last week and again on Monday during Asian trading hours, showing the limited effect of the bank's unassisted intervention.

But while traders said they were unlikely to test the Bank of Japan's resolve immediately, they were less convinced about the euro's ability to stay away from the life low of \$1.0254 it plumed on June 7.

They are drawing a line under dollar/yen and euro/yen but I would not want to be long of euros given that still looks like standing in front of a runaway train," said a senior trader at a US bank.