

Two-day meet begins in Auckland

APEC ministers backing away from free trade proposals

AUCKLAND, June 29: Asia-Pacific trade ministers kicked off a conference in Auckland today pushing to strengthen markets and forge closer trade ties, but were backing away from concrete proposals on freeing up trade, reports Reuters.

An Asia-Pacific Economic Cooperation (APEC) proposal to remove regional tariffs in six key sectors, including oilseeds and food, was seen as all but dead.

The United States said on Monday it supported shifting the tariff debate to the larger World Trade Organisation, and Thailand, Russia and South Korea raised objections over parts of the liberalisation package.

Delegates to the two-day conference received a traditional Maori welcome on Tuesday from the Ngati Whataua tribe of Auckland, who chanted prayers and sang hymns.

Lockwood Smith, trade minister for host New Zealand, urged APEC colleagues to push for progress at the meeting, which is preparing the agenda.

AB Bank team visits India

Managing Director of Arab Bangladesh Bank Limited, A Rahim Chowdhury, a director of the bank, M Fazul Huq, Executive Vice President of the bank's International Division, Zahid Hossain Chowdhury, and CEO and Country Manager, Arab Bangladesh Bank Limited, India CM Koyes Sami recently visited different export originating cities of India.

They addressed the exporters to Bangladesh, briefed them about the services of Arab Bangladesh Bank Limited, Mumbai and also explored the possibility of further service improvement, says a press release.

for an APEC summit in Auckland in September.

"Our leaders meet here in Auckland in less than 11 weeks," he said. "Over the last decade they've set very clear goals for us in APEC and it's up to us to ensure that we continue to do the work to make progress towards those goals."

"It is pretty important that we don't let our leaders down," he said. "His hopes for major progress contrasted with an APEC document prepared for a briefing of foreign journalists by a senior New Zealand official. Seen by Reuters, its first objective was: 'to keep expectations down.'"

In Tokyo, Japanese Vice Minister for International Af-

fairs Osamu Watanabe told a regular news conference on Monday that ministers were likely to spend all of Wednesday discussing mechanisms to strengthen markets.

"It is in APEC and Asian countries interests, having gone through an economic crisis, to discuss ways to strengthen market mechanisms by establishing competition guidelines," he said, without elaborating.

Smith said markets must be open and effective to achieve sustainable growth.

"We need specific outcomes this year... In areas like competition policy, human and institutional capacity building," he said.

New Zealand also hoped ministers could build an APEC consensus ahead of WTO talks in Seattle in November to set the agenda for talks in 2000. A unified APEC bloc, representing half the world's trade, could wield considerable clout.

The United States on Monday proposed shifting to the WTO an APEC ministerial debate on freeing up trade in oilseeds, food, rubber, fertilizer, civil aircraft and the automotive sectors.

These sectors were among 15 the group has struggled to agree on since they were adopted at the 1997 APEC summit in Vancouver.



AB Bank team exchanges views with the officials of the Chamber of Commerce, Coimbatore.

Legendary economist Galbraith warns

US enjoys speculative optimism

LONDON, June 29: Legendary "people's economist", John Kenneth Galbraith, yesterday warned the United States was facing a speculative bubble and said the age of slump and depression was not past, reports Reuters.

The author of the definitive work on the Great Crash of 1929 told an audience at the London School of Economics that the US was now having "another exercise in speculative optimism following the partial reversal last year".

"When you hear it being said that we've entered a new era of

permanent prosperity with prices of financial instruments reflecting that happy fact, you should take cover," he said.

The 90-year-old Harvard professor, who advised Democratic presidents starting with Franklin D. Roosevelt and his "New Deal" in the 1930s through to John F. Kennedy and Lyndon B. Johnson in the 1960s, warned that the bubble could be followed by a painful recession.

"Let us not assume that the age of slump, recession, depression is past. Let us have both the needed warnings against speculative excess and awareness

that the ensuing slump can be painful," said Galbraith, who has written over 40 books including the classic "The Affluent Society".

He said the writings of the great economist John Maynard Keynes would come back into fashion with the inevitable slowdown, as governments sought ways to alleviate its effects. Galbraith worked with Keynes in the late 1930s.

He said that in spite of great increases in economic growth this century and the release of many people from back-breaking toil in agriculture, there were a great many poor even in the richest countries, and notably in the US.

"Urban poverty is the most evident and painful of the economic and social legacies from the centuries past. The answer... is rather clear: everybody should be guaranteed a decent basic income. A rich country

such as the US can well afford to keep everybody out of poverty."

"Some, it will be said, will seize upon the income and won't work. Let us accept some social to-leisure by the poor as well as the rich," he added.

Galbraith, a former US ambassador to India in the 1960s, said one of the major unfinished tasks of the present century and millennium was the alleviation of global poverty.

He said that while the end of colonialism had been one of the great achievements of this century, its collapse had often been following by corrupt or inept government.

He said there had to be a mechanism to suspend a country's sovereignty when necessary to protect against human suffering and disaster. "Let there be government by the United Nations to bring about an effective and humane independence," he said.

EU banana producers seek import quotas

PARIS, June 29: European banana producers met French Farm Minister Jean Glavany yesterday and urged the government to set quotas on imports into Europe from US companies, says Reuters.

Banana farmers in former colonies in Africa, Caribbean and Pacific (ACP) countries face increased competition from US multinationals which successfully challenged a European Union trade pact which gave preferred access to these countries.

The association of European Banana Producers, which includes the French Caribbean, Canaries and Madeira, decided at a general meeting in Paris to increase lobbying efforts to defend the 100,000 direct and indirect jobs under threat. It said in a statement.

"The meeting with Jean Glavany, Farm and Fisheries Minister, allowed us to point out the absolute need to supervise sales into the European market by means of import quotas," it said.

It called for European producers, particularly the producer associations, to have access to import certificates, as have the US producers, as part of a mechanism to preserve fairness "in the face of domination by operators in the dollar zone."

The European producers were also expected to meet farm ministers from Spain and Portugal as part of their lobbying campaign, the association said.

A meeting on July 16 in Martinique with the Caribbean banana producers would provide a forum for producers to show solidarity between European and ACP countries, it said.

The World Trade Organisation (WTO) ruled in favour of the United States over its complaint against the EU regime on banana imports, which WTO experts ruled broke global trading rules.

The WTO ruling, which follows a decade-long transatlantic spat over banana imports, also clears the way for

the United States to impose 100 per cent tariffs on nearly \$200 million worth of unrelated imports from the EU, effective retroactively from March 3.

While the amount approved by the WTO is less than the \$520 million originally sought by the United States, France has said it may ask the European Union to appeal against the decision.

HK lifts food ban on three

EU states

HONG KONG, June 29: Hong Kong today lifted a ban on the sale of poultry, eggs, pork, beef, milk formula and related products from France, Germany and the Netherlands after a European dioxin scare, reports Reuters.

But a ban on the sale of such products from Belgium was kept in place, the government said in a statement.

Corazon made Sanyo director

TOKYO, June 29: Shareholders of Japan's Sanyo Electric Co. elected former Philippine President Corazon Aquino as an outside director on Tuesday, a company official said, reports AP.

The Osaka-based company hopes Aquino will be able to advise the company on its international strategy and overseas operations.

Mr. Yen to step down

TOKYO, June 29: The Japanese finance official so influential he was known as Mr. Yen is stepping down, says AP.

Eisuke Sakakibara, the Finance Ministry's vice minister for international affairs, will retire, sources close to the ministry and the Cabinet of Prime Minister Keizo Obuchi told Dow Jones Newswires on Monday.

Clinton sees higher US budget surpluses

WASHINGTON, June 29: President Bill Clinton said yesterday that US budget surpluses would be \$1 trillion more than expected over the next 15 years, enough to pay off the national debt by 2015 and shore up Social Security and Medicare, says Reuters.

The latest White House budget forecasts called for a \$98.8 billion surplus in the current fiscal year of 1999, up from the \$79.3 billion predicted in February, and a \$142.5 billion surplus in fiscal 2000, which starts on Oct. 1, up from \$117.3 billion. Over 15 years, the White House sees cumulative surpluses rising to \$5.9 trillion from the \$4.8 trillion it predicted four months ago.

As he unveiled the new figures, Clinton revised the plans he proposed in January to strengthen the Social Security retirement income system and the Medicare health care programme for the elderly. Both programmes are expected to go

broke as the baby boom generation retires in the next century.

The crux of Clinton's proposal is to put all the surpluses generated by the Social Security programme over the next 15 years — some \$3.07 trillion of the total \$5.94 trillion surplus — into a "lockbox" dedicated to debt reduction.

Of the remaining \$2.87 trillion, White House officials said the interest savings resulting from paying down the debt — an estimated \$543 billion — would be transferred to the Social Security system, extending its solvency 19 years to 2053.

Of the rest, \$794 billion would go to Medicare to extend its solvency 10 years to 2025, \$540 billion to Universal Savings Accounts to encourage saving by low- and middle-income people, \$522 billion to programmes including defence, education and the environment, and \$469 billion to debt service.

EU duty-free sales for travellers come to end

BRUSSELS, June 29: Duty-free sales for travellers within the European Union will cease from midnight on Wednesday but some outlets are absorbing taxes to maintain prices, says AFP.

And the Channel Islands remain, beyond a duty-free line in the Channel.

After pressure for an extension of the tax-free system failed at the beginning of June, the International Confederation of Duty-Free outlets re-channelled its energies into a strategy to retain business with travellers.

The duty-free industry, in fighting abolition, had warned the EU that thousands of jobs would be lost, in the shops, in airlines and ferry companies which saw profits from the such sales, and in some of the supplying industries such as the whisky industry.

"There is no other alternative for us except to keep prices as they are," said Marc Leemans, the spokesman for the Belgian chain of duty-free Sky Shops located at airports.

These shops will, therefore, absorb the VAT, thus reducing their profit margins. The strategy's slogan will be "A different name but the same price" and instead of "duty-free" the new system will be known as "travel-value".

But the arrangement cannot be applied to alcohol and tobacco which are subject to both excise duties and VAT, and the prices of these products in EU airports will rise by 10 per cent in general. Experts predict a revenue drop from this sector which currently accounts for one-third of duty-free turnover.

Though the decision to abolish duty-free sales was made by the European Union member states in 1991 to allow the industry time to adapt, in the past few months, as the deadline drew near, professionals raised an outcry, winning support from some EU leaders.

Arguing against the negative effect on employment, German Chancellor Gerhard Schroeder, British Prime Minister Tony

Blair and French Premier Lionel Jospin, tried to persuade their partners to delay abolition.

Under the duty-free system, travellers have been able to buy tax-free alcohol, tobacco and other goods at border points between EU countries in the same way as travellers between other countries may obtain goods tax free.

But, in accordance with the logic of the EU single market programme, which has now been extended with the creation of a single currency, EU leaders decided in 1991 that the special arrangements for purchases for travellers between one region and another of the same trading zone should be abolished.

At the EU summit on June 4, Denmark and the Netherlands refused to accept any extension of the system.

Therefore application of the value added tax (VAT) and excise duties on alcohol and tobacco will go ahead as planned.

Certain European airports, notably in the United Kingdom, are planning a counter-attack by allowing all consumers, whether or not they hold air tickets, to make purchases.

If the aerial companies manage to adapt in this manner, it will increase pressure on cross-Channel ferry companies. Duty-free sales account for 40 per cent of revenue for the French company Seafreance and France is planning to provide subsidies to ensure that the company stays in business.

The ferry companies are expected to experience greater difficulties in maintaining their prices than airport shops. The ferry companies will be able to offer the lowest prices by opening their shops only when they enter territorial waters of countries applying the lowest taxes.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies.					
Currency	Selling TT & OD	Selling BC	Buying T Clean	Buying OD Sight	Buying OD Transfer
US Dollar	48.7300	48.7700	48.3200	48.1570	48.0850
Pound Stg	77.4076	77.4711	76.2248	75.9677	75.8541
Deutsche Mark	26.1660	26.1875	25.1956	25.0950	25.0575
Swiss Franc	31.6203	31.6462	31.1420	31.0370	30.9906
Japanese Yen	0.4028	0.4031	0.3960	0.3946	0.3940
Dutch Guilder	24.0400	24.0371	23.1484	23.0344	22.9999
Danish Krona	6.8296	6.8352	6.6758	6.6533	6.6433
Australian \$	32.5224	32.5491	31.2582	31.1528	31.1062
Belgian Franc	1.2786	1.2697	1.2216	1.2167	1.2149
Canadian \$	33.5098	33.5373	32.5109	32.4311	32.3827
French Franc	7.8018	7.8082	7.5124	7.4824	7.4713
Hong Kong \$	6.2939	6.2991	6.2161	6.1951	6.1858
Italian Lira	0.0264	0.0265	0.0255	0.0253	0.0253
Norway Kroner	6.2210	6.2261	6.1158	6.0950	6.0859
Singapore \$	28.9199	28.9436	27.9954	27.9009	27.8592
Saudi Rial	13.0298	13.0405	12.8480	12.8046	12.7855
UAE Dirham	13.3040	13.3150	13.1194	13.0751	13.0558
Swedish Krona	5.7812	5.7860	5.7069	5.6876	5.6791
Qatari Riyal	14.4316	14.4427	13.2402	13.1955	13.1758
Kuwaiti Dinar	164.3230	164.579	152.5403	152.0347	151.8074
Thai Baht	1.3229	1.3240	1.3090	1.3045	1.3026
Euro	51.1762	51.2183	49.2783	49.0816	49.0082

BT Doc. 30 Days 60 Days 90 Days 120 Days 180 Days

48.2112 47.9074 47.5048 47.1023 46.6997 45.8945

US Dollar London Interbank Offered Rate (LIBOR)

Buying Selling Currency 1 Month 3 Months 6 Months 9 Months 12 Months

48.0850 48.7300 USD 5.2100 5.3275 5.4637 5.6250 5.7865

48.0850 48.7300 GBP 5.1070 5.1616 5.2091 5.2846 5.3500

Cash/TC Cash/TC EUR 2.6313 2.6645 2.7195 2.8478 2.9163

Exchange rates of some Asian currencies against US dollars

Indian Rupee Pak Rupee Thai Baht Malaysian Ringgit Indonesian Rupiah Korean Won

43.362/43.372 51.3351/38 36.87/36.90 3.7995/3.8005 625/625 1157/1157.5

Amex notes on Tuesday's market

The local USD/BDT market was active. USD/BDT rate ranged between 48.65-48.66.

Call money market came down from its earlier level and call rates ranged between 7.00-7.50 per cent.

The dollar was little changed against the yen in late Tokyo trading on Tuesday in an extremely quiet market, trapped in a narrow range ahead of a key Federal Reserve policy decision. Lingering speculation of possible dollar-buying, yen-selling intervention by Japanese monetary authorities soaped dealers' interest in testing the downside. The dollar was earlier lifted when dealers interpreted a slew of Japanese data as indicating the economy's overall undertone was weak. But the dollar's gains were erased by steady selling by Japanese exporters. The downside remained firm, however, as interbank operators covered short positions.

The US Federal Open Market Committee (FOMC) will kick off its two-day meeting later on Tuesday. A monetary policy decision is expected to be announced around 1815 GMT on Wednesday. Dealers commented that the market has already factored in a 25 basis point increase in the key Federal funds rate, so the focus remains on whether the Fed will indicate more tightening lies ahead. The currency market will be watching how US asset prices, particularly stocks, react to the Fed's decision.

In European trade the dollar was trapped in narrow ranges above 121 yen and was firm against the Euro on Tuesday ahead of a two-day meeting of the US Federal Open Market Committee which is expected to result in higher interest rates.

Sterling slips below \$ 1.58 to within half cent of last week's \$1.5736 near two-year lows. Expectations that US FOMC meeting will result in rate hike pressured sterling.

At 7.40 GMT the majors traded against US \$ at 121.30/121.35 JPY, 1.5442/1.5452 CHF, Euro at \$1.0349/1.0353 and GBP at \$ 1.5792/1.5797.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as of 29.6.99

Berth No	Name of vessels	Cargo	Local agent	Date of arrival	Date of leaving
J/1	Alpine	G	SMSL	3/6	3/7
J/2	Shuan An	G	RML	17/6	30/6
J/3	Banglar Maya	Rice(P)/GI	Kara	17/6	1/7
J/4	Handy				
J/5	Esperance	S.Peanut(G)	Sing	30/5	5/7
J/6	Phonon	Sugar(G)	Durb	10/6	6/7
J/7	Cardhu	Wheat(P)	Everest	13/6	4/7
J/8	Aghios Nicolas	Wheat(P)	Turk	24/4	4/7
J/9	Zeynep				
J/10	Kaplanoglu	Wheat(P)	P. Said	OWSL	3/5
J/11	Silano	Sugar(G)	Sing	Limtord	7/6
J/12	Sun-II	Wheat(P)	Turk	Rainbow	3/5
J/13	Tasnia	Urea	Uac	Nishan	8/5
J/14	Bunga Mas Enam	Cont	P. Kel	EOSL	20/6
J/15	Dragon				
J/16	kalmantan	Cont	Sing	NOL	18/6
J/17	Cont	Sing	QCSL	25/6	29/6
J/18	Gaya Mars	Cont	Col	Baridhi	20/6
J/19	Kota Singa	Cont	Sing	Pil (BD)	18/6
J/20	Humber	Cement	Jaka	Able	7/4
J/21	Hyok Sin	Cement	-	USTC	R/A
J/22	Coral	C. Clink	Thai	RML	18/6
J/23	Buti	Wheat(G)	Puck	LSC	29/5
J/24	Bunga Siantan	CDSO	MOMB	TSL	27/6
J/25	Samotlor	CDSO	-	TSL	21/6
J/26	Al Derrah	HSD/MS	Mina	MSTPL	28/6
J/27	Al Bauraq	C. Clink	Puke	PSAL	10/6
J/28	Al Mustah	Repair	Para	PSAL	R/A
J/29	Tanary Star	Idle	Para	PSAL	R/A
J/30	Banglar Urm	Repair	Para	BSC	R/A
J/31	Unity	Idle	Mong	SSST	17/5
J/32	Mani Nour	Cement	Mala	RSL	24/6
J/33	Hal nan No. 1	Urea	RSL	R/A	5/7

Vessels due at outer anchorage

Name of vessels	Date of arrival	Local agent	Cargo	Loading port
DA FA (Cont)23/6	29/6	Sing	Cont	Sing
Al Swamuz	1/7	ASLL	Wheat(G)	
Ever Brisk (48) 20/6	30/6	Sing RML	GI (St. Coll)	
Star Glory	1/7	PSAL	Cement	
QC Teal (Cont) 20/6	3/7	QCSL	Cont	Sing
Banglar Moni (Cont) 16/6	1/7	Sing RSL	Cont	Sing
Banglar Kakoli	7/7	Mong BSC	Cont	UK
Revenge	1/7	Sunshine	Salt	
Sin Hai (Cont)23/6	1/7	Sing RSL	Cont	Sing
Banglar Birl (Cont)	2/7	Sing BD Ship	Cont	Sing
Nordkap (Cont)20/6	2/7	Sing RSL	Cont	Sing
Bunga Mas Lima (Cont)23/6	2/7	P. Kel EOSL	Cont	Sing
Pokaj 24/6	2/7	Seaglor	GI	
Nikis	2/7	Sing OTSL	Scraping	
Ever Cheer (48)28/6	7/7	Sing RML	GI(St. Coll)	
Sun Ocean	3/7	Yang SMSS	CL	
Banglar Gourab	5/7	Kara FSC	GI/Rice	
Northern Lion	4/7	Sing BSC	Scraping	
Banglar Robi24/6	4/7	Sing BSC	Cont	Sing
Eliza (Cont) 28/6	4/7	Col Baridhi	Cont	Col
Bharatendu (48) 28/6	6/7	SSLL	GI(St. Coll)	
Teresa Prestige (48) 28/6	7/7	Everet		
Kota Beraja (Cont) 28/6	7/7	Sing PI (BD)	Cont	Sing