

WTO needs reforms to be truly global: Moore

DUNEDIN, New Zealand, July 4: China and Saudi Arabia should be granted quick membership of the World Trade Organisation, which needs to be reformed if it is to be a truly global body, leadership contender Mike Moore said Sunday, reports AP.

In a speech to New Zealand's Otago Foreign Policy School, former prime minister Moore said small nations should be given greater resources to represent themselves at the WTO and other reforms introduced if the organisation is to convince all member governments of the benefits of trade liberalisation.

The WTO "must look at the world it represents," Moore said. "Many countries cannot even afford to have representatives in Geneva. Others are overwhelmed by the technical details and thousands of pieces of paper."

Small countries need to be equipped with the necessary

technical and research resources to represent their own interests at the WTO, he said.

Moore also stressed that if the WTO is to represent the world, China and Saudi Arabia must quickly be granted full membership.

The WTO should also look at ways to collaborate with agencies such as the World Bank, the International Monetary Fund and the United Nations Conference on Trade and Development, Moore said.

Moore is locked in a race for the direct generalship of the 134-nation body, after Italy's Renato Ruggiero stepped down on April 30.

Neither Moore nor the other leading candidate, Thailand's Deputy Prime Minister Supachai Panitchpakdi, have been able to win the consensus demanded by the WTO.

In his speech Sunday, Moore did not mention a plan to share the next leadership term between the two contenders. The

plan was raised during informal talks at an Asia Pacific Economic Cooperation forum trade ministers' meeting last week as a way to break the deadlock.

To gain the confidence of countries that are yet to be convinced about free trade, "we have to reform the WTO itself," Moore said.

While the world trading system was not perfect, reverting to protectionist trade policies was "not an option," he said.

"While most countries have seen incomes rise, the gap between the haves and the have-nots has also risen," Moore said.

"This is not the fault of the world trading system. Indeed, it is an argument for making it fairer, stronger and advancing multilateral principles of trade."

The WTO needs to lead the political debate on this score, Moore said.



ScanCement Bangladesh Ltd, which has been marketing ScanCement for the last one year, opened a new Sales-Operation centre at Pagla recently. General Manager of ScanCement Martin Schjolberg inaugurated the centre. Pettey Wik, Port Captain, Ashraf Amin Badal, Manager, Project Co-ordination, Kamrul Hasan, Sales Executive, and Isfaque I Chowdhury, Personnel Manager, were present.

Wall Street marks 5.56 pc rise on Fed rate cut news

NEW YORK, July 4: Blue chip stocks closed 5.56 per cent ahead on the week as investors took heart from the Federal Reserve's 0.25 percentage point rate hike, says APF.

The Dow Jones Industrial Average sailed to a record 11,139.24 points, beating its May 13 record. The Nasdaq also finished in record territory at 2,741.02, up 7.38 per cent on the week.

The Standard and Poor's 500 peaked at 1,391.22 points, another record, and a 5.77 per cent jump on last week.

The bond market was also buoyant, with the average yield on the bellwether 30-year Treasury bonds falling Friday to 6.001 per cent against 6.138 per cent. Yield moves inversely to price.

The Federal Reserve seemed to pull its punches this week, providing relief to financial markets in the face of a widely anticipated tightening move.

said Robert Diclemente at Salomon Smith Barney.

The Federal Reserve, in response to potential inflationary pressures brought on by a tight labour market, raised short-term interest rates a quarter of a per cent Wednesday.

"While an August tightening remains a possibility, such action will depend entirely on evidence that demand pressures are raising the risk of inflation," Diclemente said.

The Labour Department also reported Friday that the unemployment rate last month edged up to 4.3 per cent from 4.2 per cent in May.

The unemployment rate has been stable over the last six months and hourly wage gains are non-threatening for inflation," said Stan Shipley at Merrill Lynch.

It would be difficult to see where inflation might come from given recent productivity gains, he added.

Between now and August 24 when the Federal Reserve meets again, Wall Street will be focusing on second quarter results, which will be posted in the last three weeks of July.

"The earnings picture looks terrific," said Chuck Hill at First Call.

Among the winners this week were financial stocks with American Express surging 12.4 per cent to 137-5/8, J.P. Morgan up 10.3 per cent to 141-7/8 and Merrill Lynch ahead 10 per cent to 79-5/16.

Airlines stocks also fared well. American Airlines was up 13.7 per cent at 72-9/16 and Delta was ahead 8.4 per cent at 61-1/16.

Other good performers included Time Warner which rose 12 per cent to 73-9/16; Wal-Mart rose 12.5 per cent to 48-7/8; General Motors, 8.2 per cent to 68-11/16; Chevron 6.8 per cent to 96-1/4, and DuPont was up 6.9 per cent to 70-7/8.

Taiwan to further boost '99 GDP forecast

TAIPEI, July 4: A rallying stock market will help bolster Taiwan government's forecast for 1999 gross domestic product growth to above 5.3 per cent on last year, the Commercial Times newspaper reported today, reports Reuters.

The business daily quoted Wei Duan, head of the cabinet's Directorate General of Budget, Accounting and Statistics, as saying his agency planned to make the second upward revision in August.

In May, the directorate said a recovery in exports enabled it to raise its forecast for GDP growth this year to 5.07 per cent from a February forecast of 4.74 per cent.

GrameenPhone's new sales package drive launched

GrameenPhone has launched a new corporate sales package initiative, says a press release.

Under the new initiative, special tailor-made customised packages are created to suit the connection needs of multi-national companies, big local companies, large NGOs, international and government organisations, banks and financial institutions.

Meanwhile, an agreement was signed between GrameenPhone Ltd. and the USAID-funded JOBS programme, which assists small, medium and micro-enterprises to expand their business and create increased employment opportunities throughout the country.

Under the agreement, the JOBS programme will get specially tailored customised service from GrameenPhone. The agreement will enable JOBS, a customer-oriented enterprise, to effect much faster and wider coverage among its clients throughout the country, including many in rural areas.

Masud A Mallick, on behalf of the Corporate Sales Department of GrameenPhone, and Agar Haque, JOBS Manager, signed the agreement. Also present on the occasion were: Corporate Sales Manager of GrameenPhone Mahboob Hossain, Marketing Manager Intekhab Mahmud, Senior Business Advisor of JOBS Anthony Dalgleish, Team Leader Ziauddin Ahmed and Senior Management Advisor Naushad Faiz.

New US steps against unsafe food imports

WASHINGTON, July 4: President Bill Clinton used his regular weekly radio address yesterday to announce new measures against unsafe food imports, says APF.

"Consistent with our international obligations, I am directing the Treasury Department and the Health and Human Services Department to take immediate action to keep unsafe food from crossing our borders," the president said.

Clinton said the United States will take new steps to stop what he called "port shopping," where importers whose unsafe food has been turned away at one port seek to slip their goods in at another.

"To make sure this unsafe food can be easily spotted, we will stamp all rejected food with the clear label, 'refused US,'" Clinton said.

US customs authorities and the Food and Drug Administration (FDA) also will enforce and expand their policy of destroy-

ing imported food that poses health threats, rather than risk letting the goods reach US grocery stores or the global market.

In a further move, US authorities will raise the bonds that importers must post while their food is being inspected. It is hoped this measure will ensure that importers take food regulations seriously.

"Too many importers forfeit their bonds as a simple cost of doing business. That's wrong, and we should stop it," said Clinton.

The president called on Congress to act also, by including passage of food safety legislation boosting FDA authority to turn away unsafe imported food.

The legislation would similarly grant the US Department of Agriculture the authority to impose civil penalties, and order mandatory recalls of unsafe meat and poultry.

E-commerce revenues to top \$1.3 b in Asia by 2003

SINGAPORE, July 4: Revenues from electronic commerce (e-commerce) applications via the Internet in the Asia Pacific are expected to top 1.3 billion US dollars by 2003, with Web-based e-commerce use in the region rising steadily, an information technology research company said, reports APF.

E-commerce applications in the region surveyed, which excludes Japan, showed revenues from e-commerce applications rose 104 per cent from a year earlier to nearly 21 million US dollars in 1998, said International Data Corp. (IDC).

The region is the start of strong growth for this market in 1998 as an increasing number of organisations and their IT (information technology) professionals adopted Internet commerce software products rather than developing their own Internet e-commerce solutions," IDC said in a report received here over the weekend.

IDC estimated revenues in e-commerce applications via the Internet will rise by 95 per cent from last year to 40.45 million dollars this year and 169.76 million dollars in 2000.

Internet e-commerce software applications enable companies to do their business online. Use of e-commerce in the region is in its nascent stages compared to the United States or Europe.

The study identified eight key players whose products accounted for nearly 75 per cent of the total sales for the region. Among them were Oracle and Netscape.

This indicated "the market is vastly under-penetrated" in the region, IDC said.

Sales for e-commerce application products were driven by Australia and New Zealand, because of the use of English as a main language medium; its "relatively mature" IT infrastructure, and high Internet user penetration.



Masud A Mallick, on behalf of the Corporate Sales Department of GrameenPhone, and Agar Haque, JOBS Manager, sign an agreement recently under the mobile phone provider's new corporate sales package.

S Korean economists worry over corporate reforms

SEOUL, July 4: A recent slew of impressive macro-economic indicators showed South Korea's crisis-hit economy was rapidly recovering, but economists said they worried corporate reforms could lose steam as a result, reports Reuters.

South Korea's monthly industrial output rose 21.8 per cent in May, the highest monthly year-on-year rise in nearly 11 years.

Customs-cleared basis exports rose to a record monthly high of \$12.98 billion in June and the inflation rate in the first half fell to an average of 0.6 per cent, the lowest six-month rate in 34 years.

The economy is going quite strongly. The manufacturing sector has fully recovered to the pre-crisis production level," said David Cohen, senior economist at Standard & Poor's/MMS in Singapore.

But he added: "I'm still concerned about corporate balance sheets and potential vulnerability to further turbulence."

Encouraged by improving figures, the finance ministry said it has revised the 1999 economic growth forecast to five to six per cent from an earlier projection of two per cent.

The economy contracted 5.8 per cent in 1998, the country's worst performance on record.

But economists said the government's cheery projections were too conservative as renewed investment and a steady rise in private consumption would fuel even stronger economic growth, most likely between 6.5 and seven per cent.

But they said numbers

would not represent improvement in the real economy unless the numbers were accompanied by reinforced corporate restructuring.

"Certain efforts will continue. But as the business cycle picks up, chaebol will be tempted to backpedal a little bit on restructuring efforts," said Graham Courtney, executive director for Asian economics at Warburg Dillon Read in Tokyo.

Seoul has been pushing South Korea's top five business groups of chaebol to undergo painful restructuring, in line with its pledge to the International Monetary Fund to restructure the corporate and finance sectors as part of a \$58.35 billion rescue package.

Economists said foot-dragging on restructuring would land South Korea back in the

Sino-S'orean industrial park sees growth in investment

SUZHOU, July 4: The Suzhou Industrial Park, a Sino-Singaporean joint project built in 1994 in Suzhou, a scenic city in east China's Jiangsu Province, has reported a big increase in investment from overseas this year, says Xinhua.

The park approved projects with a combined contractual overseas capital of 450 million US dollars for the first half of the year, bringing the total overseas investment to 6.3 billion US dollars.

overheated and excess capacity situation which led to the financial crisis in late 1987.

"I think the government and corporates still have the wrong idea that Korea needs to invest more," said Rhee Namuh, executive director at Samsung Securities.

Koh Won-jong, research head at Nomura Securities, said he was more interested in investment figures which would give a better idea of whether the economy was overheated or not.

"If we can see any kind of new investments by the big five chaebol in particular, the economy could grow more than 10 per cent this year," he said.

"This is worrisome as it means the chaebol have decided to stop restructuring."

The finance ministry forecast a rise of about 20 per cent in investment in plants and equipment this year against a 38.5 per cent fall a year earlier.

Finance Minister Kang Bong-kyun defended the increased investment, saying: "Much of new investment is geared towards improving quality of management. This is a departure from the past volume-oriented investment."

Economists said exports should maintain their current pace to sustain economic growth but that the won's recent strength against the dollar had threatened Korea's price competitiveness especially against Japanese products.

The won closed on Friday at 1,164.5, which is about 28 per cent weaker than its pre-crisis level of 842.00, but a marked improvement from its nadir of 1,995 in late 1997.

Weekly Asian Currency Roundup

HONG KONG, July 4: Asian currencies ended the week mixed, with the Australian dollar making a slight gain and the yen picking up on optimism over growth prospects for the Japanese economy, says APF.

Japanese yen: The yen gained ground against the dollar during the week as investors bought the Japanese unit on expectations that Japan's economy would pick up soon.

The Japanese currency traded at 121.07-10 against the dollar late Friday, compared with 121.50-53 a week earlier.

Yen-buying sentiment remained strong as many investors were encouraged by signs of economic recovery, dealers said. Last month, Japan announced a surprising 7.9 per cent annualised growth rate in the three months to March.

Bank of Japan governor Masaru Hayami told a parliamentary committee Wednesday that "improvement has been clearer since the beginning of this fiscal year," which began in April.

Investors were looking for a positive Tankan business confidence survey, a key quarterly report due to be released on Monday by the Bank of Japan, dealers said.

The US Federal Reserve's decision to raise interest rates by just a quarter point had been widely expected by the markets, dealers said, adding the move had hardly had any impact on the forex market.

Australian dollar: A lag in commodity prices behind improving market sentiment towards resources was likely to cap gains by the Australian dollar in the week ahead, economists said.

The Australian dollar closed in Sydney on Friday at 66.74 US cents from 66.27 the week before.

"Positive sentiment on economic recoveries in Asia and commodity prices continues to underpin current levels of the Australian dollar," Colonial State Bank economist Craig James said.

The main constraint on any further upside for the currency is continued sluggishness on actual commodity price movements and the potential for further rate hikes in the US.

On the Reserve Bank's Trade Weighted Index the Australian dollar was at 59.2 points from 58.6 previously.

Singapore dollar: The Singapore dollar ended the week higher against the US dollar to 1.6985 from 1.7035 the previous week.

Hong Kong dollar: The Hong Kong dollar was slightly down at 7.7581-7.7591 to the greenback, from 7.7567-7.7577 a week earlier.

Indonesian rupiah: The Indonesian rupiah slightly weakened to 6.873 to the dollar at close Friday compared to 6.850 to the greenback a week earlier.

Philippine peso: The Philippine peso fell by 0.4 per cent to close at 38.073 pesos to the dollar on Friday from 37.937 pesos to the dollar on July 29.

South Korean won: The won weakened to 1,164.50 won per dollar on Friday from 1,155 won a week ago, following reports that the government will issue four billion dollars worth of won-denominated bonds in the second half to curb the won's rise against the dollar.

The measure was announced as the country's usable foreign exchange reserves hit a record 60.43 billion dollars at the end of June, up 17 billion dollars from the previous month.

Taiwan dollar: The Taiwan dollar was firmer against the greenback on foreign funds inflows for stock investment, dealers said.

The local unit rose over the week as foreign investors continue pouring money into Taiwan to invest in the bourse, a dealer with a local bank.

The currency closed at 32.282, after trading between 32.285 and 32.259, on a turnover of 188 million US dollars. It had finished at 32.291 in the previous session.

Thai baht: The Thai baht was relatively stable throughout the week supported by positive economic data released by government agencies and a central bank vow not to intervene in the market to help exporters, dealers said.

The baht close Friday at 36.86-90 to the US dollar compared to last week's close of 36.66-68.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies						
Currency	Selling TT & OD	Selling B/C	Buying T/C	Buying OD Sight	Export Bill	Buying OD Transfer
US Dollar	48.7300	48.7700	48.3200	48.1570	48.0850	48.0850
Pound Stg	77.3832	77.4468	75.7174	75.4620	75.3492	75.3492
Deutsche Mark	25.9119	25.9331	24.9558	24.8562	24.8190	24.8190
Swiss Franc	31.3175	31.3432	30.6405	30.5371	30.4914	30.4914
Japanese Yen	0.4064	0.4067	0.3950	0.3947	0.3941	0.3941
Dutch Guilder	22.9972	23.0161	22.1487	22.0603	22.0273	22.0273
Danish Krona	6.7637	6.7693	6.6132	6.5909	6.5810	6.5810
Australian \$	33.0731	33.1002	31.8042	31.6969	31.6495	31.6495
Belgian Franc	1.2593	1.2593	1.2100	1.2051	1.2033	1.2033
Canadian \$	33.6487	33.6763	32.6663	32.5561	32.5074	32.5074
French Franc	7.7250	7.7323	7.4409	7.4112	7.4002	7.4002
Hong Kong \$	6.2334	6.2366	6.2160	6.1950	6.1858	6.1858
Italian Lira	0.0262	0.0262	0.0252	0.0251	0.0251	0.0251
Norway Kroner	6.2030	6.2081	6.1026	6.0820	6.0729	6.0729
Singapore \$	29.0613	29.0852	28.1290	28.0341	27.9922	27.9922
Saudi Rial	13.0280	13.0387	12.8490	12.8057	12.7865	12.7865
UAE Dirham	13.3044	13.3153	13.1197	13.0755	13.0559	13.0559
Swedish Krona	5.7573	5.7620	5.6202	5.6028	5.5843	5.5843
Qatari Riyal	13.4261	13.4371	13.2347	13.1901	13.1704	13.1704
Kuwaiti Dinar	164.2953	164.4302	152.3810	151.8669	151.6399	151.6399
Thai Baht	1.3208	1.3219	1.3068	1.3024	1.3005	1.3005
Euro	50.6792	50.7208	48.8093	48.6145	48.5418	48.5418

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	46.2971	
US Dollar London Interbank Offered Rate (LIBOR)						
Buying	Selling	1 Month	3 Months	6 Months	9 Months	12 Months
48.0850	48.7300	USD 1.8375	5.3100	5.5969	5.8465	5.7500
48.0850	48.7300	GBP 5.09313	5.16078	5.29469	5.37750	5.49000
Cash/TC	Cash/TC	Euro 2.83313	2.66188	2.84375	2.86000	2.95813

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.375/43.38	51.400/51.500	36.910/36.960	3.8000/3.8001	6805/6855	1163.5/1164.1

Amex notes on Sunday's market

The USD/BDT rates are likely to climb a little today and move in the 48.67-48.69 level. Market makers normally do not sell USD on Sundays, which is the reason for the upward movement of USD/BDT rates. The supply of USD has remained steady, and the demand has somewhat decreased. However, market makers continue to support USD at 48.6500 while the resistance at 48.6900 is unlikely to be breached anytime soon. The Central Bank rate remains 48.35/48.65.

The call rates had fallen as low as 6.25 per cent on Thursday mainly because of the market liquidity. The call rates are likely to rise a little today because of the T-bill auction. The market is uncertain as to which level the rates will be, but dealers expect the rates to stay in the 6.75-7.5 per cent level.

The dollar inched higher against the yen and stood unchanged versus the euro at midday on Friday, trapped in tight ranges as market players got set to pack up early before a long holiday weekend. After a tepid reaction to a healthy US employment report in early trade, dealing remained sluggish and traders said they expected little to happen before the IMM currency futures market shuts at 1200 CDT/1700 GMT and many dealers head out.

The dollar's move to new 8-year highs against the Swiss franc on Thursday above 1.57 francs on Thursday confirmed the euro is again teetering over the abyss. The Swiss franc closely tracks movements in the euro.

The markets are now looking ahead to Japan's "tankan" report, the nation's key indicator of business sentiment, which is set for release on Monday, when US markets are closed. Market players have been widely anticipating a strong report, and traders said that could exacerbate persistent yen demand and further weaken the euro.

The pound limped back up toward the middle of the week's range against the dollar after dipping to 23-month lows below \$1.57 on Friday, pressed by the dollar's broad strength against European currencies. The outlook for sterling remained dim as a 25-basis-point Federal Reserve interest rate hike on Wednesday gave an edge to holding the dollar, while the Fed's removal of its tightening bias cleared the cloud hanging over US stocks and bonds.

At New York closing on July 04, 1999 exchange rate of major currencies against USD were GBP/USD 1.5770/80, USD/SFR 1.5660/70, USD/JPY 120.92/121.02, EUR/USD 1.0245/50.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as of 4.7.9