

Blair aims at making British entrepreneurs world beaters

LONDON, July 7: Prime Minister Tony Blair yesterday pledged to provide a stable economy and a raft of new government measures to help British entrepreneurs face foreign competition in the next millennium, reports AFP.

Blair told a conference of British venture capitalists his New Labour government had gone a long way to winning its economic spurs but would show no complacency about keeping the economy on track.

Underlying inflation has been at or near the government's target (2.5 per cent) for the best part of a year. We expect it to remain there," he said. "But we must never be complacent. Stability is our central purpose and we are in this for keeps."

Unbowed by recent criticism that he has ignored traditional supporters, Blair vowed to help British entrepreneurs close the gap on foreign competitors, particularly the United States, where plentiful seed capital has helped spawn giants like Microsoft MSFT, O.

"The essence of New Labour is this: fairness and enterprise are not opposites but partners," he said, adding that he wanted to help the jobless find work and make more millionaires.

With the opposition Conservatives finding rare success in European parliamentary elections with an anti-euro ticket Blair wants to construct a broad platform to appeal to the poor and wealthy, while writing the Tories off as a one-issue party.

Last week, a flurry of initiatives on pensions, education and training were aimed at the man on the street. A major health announcement due later on Tuesday — tackling killer diseases — is targeted at the same audience.

But Blair is dead keen to keep commerce on his side too.

In a wide-ranging speech, he said the billions of pounds the government was investing in education would equip the next generation to handle a hit-tech, knowledge-based global economy.

But he offered specific help to budding entrepreneurs too — Chancellor of the Exchequer Gordon Brown's next budget will include new incentives for corporate venturing, Blair said, having already cut corporation tax to 30 per cent.

Closer to hand, Trade and Industry Secretary Stephen Byers will later this week announce measures to cut red tape for small business and the government will put 50 million pounds into a venture capital fund to boost start-up investment.

Blair conceded the government could only do so much and called on the financial sector to play its part.

He said a review of the banking industry would reveal the obstacles firms face in getting the money they need and noted UK pension funds invest only one per cent of their money in venture capital. Their US equivalents put nearly five per cent in.

"I urge them to... examine whether they and other institutional investors are being too cautious," he said. "I would like to see an immediate response from them."

Blair also said the British culture of turning its back on failed businessmen must change. Most successful entrepreneurs failed before they struck gold, he said.

"This is one of the reasons we are reviewing insolvency legislation," he said. "Entrepreneurship is a process of trial and error and there is a great need in this country to change negative attitudes to honest failure."

OPEC tightening of supply

Oil prices thrive

LONDON, July 7: Oil prices held above \$18 a barrel yesterday despite shedding some early gains as markets drew support from fresh evidence that OPEC tightened supply in June, reports Reuters.

World market Brent blend crude for August delivery ended seven cents lower at \$18.11 per barrel. The London market had opened stronger but failed to hold the morning's gains as some profit-taking kicked in.

Oil prices jumped 51 cent on Monday to trade at its highest in 18 months, climbing into the bottom end of OPEC's \$18-\$20 target price range.

OPEC producers, buoyed by a rally that has added \$8 a barrel to the price from February's historic lows, improved adherence with bespoke output cuts in place since April.

A Reuters survey of production by members of the Organisation of the Petroleum Exporting Countries, excluding Iraq, showed a compliance level of 89

per cent in June, from 85 per cent in May.

OPEC reduced output in June by 290,000 barrels a day (bpd) to 25.85 million, according to a survey of OPEC and industry officials, analysts and consultants.

"OPEC is holding the line on production," said Washington consultancy Petroleum Finance. It said OPEC was on course to wipe out surplus inventories by the end of the third quarter.

US weekly oil stocks data, an important market indicator due to be published on Wednesday, will provide further insight into whether the supply curbs are helping to erode the oil stockpile in the world's largest economy.

Analysts now believe OPEC's restraint will help to mop up excess oil in storage tanks built up after the producer cartel raised production two years ago just before the Asia crisis struck.

Dollar all-time high against euro BOE sale downs gold to 20-year low

LONDON, July 7: Gold fell more than \$5 an ounce to a 20-year low of \$256.80 yesterday after the Bank of England sold 25 tonnes at auction, while the US dollar briefly touched an all-time high against the struggling euro, reports Reuters.

Wall Street shares firmed after a long weekend for the Independence Day holiday lifting European stocks off their earlier lows.

Oil prices held above \$18 a barrel for benchmark Brent blend supported by fresh evidence that OPEC tightened supply in June.

The controversial gold auction, in which the Bank of England sold 25 tonnes of its reserves at \$261.20 an ounce, sent August gold futures on New York's Commodity Exchange tumbling to a lifetime low of \$258.

The sale was the first step in Britain's plan to replace more than half its gold reserves with foreign currency over the next few years.

Analysts said demand had outstripped the amount of gold on offer 5.2 times and that this boded well for future sales. The International Monetary Fund and Switzerland also have plans to sell some of their gold reserves.

Shares in South African gold producers tumbled after the billion sale. The Johannesburg bourse's Gold index, which houses the world's biggest producer AngloGold, fell by 10 per cent, with AngloGold dropping two per cent.

The euro fell below the \$1.02 support level after weaker-than-expected confidence figures from the EU and a rise in jobless data in Germany dealt a blow to analysts' expectations of a recovery in the euro-zone economy in the second half of 1999.

These figures suggest that the economy is not picking up that well, Elisabeth Legge, senior economist at Bankgesellschaft Berlin in London, told Reuters Television.

"What is clear is that the growth differential between the United States and the euro zone is remaining and that is not good for the euro," Peter Praet of Fortis Bank in Brussels said.

The divergence in the two economies was the main reason for the weakness of the euro, which hit a record low of \$1.0184 early in the day before clawing back above \$1.02.

It took little comfort from European Central Bank Vice President Christian Noyer saying he was confident the unit would be a strong currency in international markets.

"I think the (euro) bears are closing in very fast now on a test of parity," said David Brown, chief economist at Bear Stearns in London.

Brown said the market had been over-reacting to a newspaper report that the French Planning Commission had suggested the euro-zone's stability pact should be loosened.

The same speculation hit European debt markets, driving down government bond prices and forcing up yields, which move in the opposite direction.

Germany's benchmark September 10-year bund future contract hit a contract low of 108.65, while the yield on the underlying cash bond moved well above 4.70 per cent to its highest levels in 12 months.

Energy shares were in focus after an uninvited 42 billion euro (\$43 billion) bid by French oil group TotalFina TOTFPA for rival Elf Aquitaine ELFP.A sent stocks flying on Monday.

Elf reversed opening losses to close two per cent higher after surging more than 20 per cent on Monday. Total gained 4.67 per cent, while in Madrid, shares in oil company CEPSA CEP.MC, which is 35 per cent owned by Elf, rose four per cent.

Most market participants saw Total's merger proposal as sound and that foreign bidders were unlikely to risk stepping in as the French state had given the green light for the big.

Myanmar moves to boost exports

YANGON, July 7: Myanmar, an agro-based developing country, has taken a series of measures to reverse the situation. First, it designates priority goods for import and exempts customs duties on the import of agricultural implements to promote agricultural development.

These goods include agricultural machinery, pesticide, fertiliser, and construction materials such as cement, steel bar, pipe, ceramic tile, iron sheet, machinery equipment, etc.

Second, the government has increased border trade points and simplified trade-related formalities to promote border trade.

Meanwhile, it shortened the period of export and import formalities from the previous one week or one month to two days.

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Nigeria cancels 16 oil prospecting licences

ABUJA, July 7: Nigeria's new civilian government yesterday cancelled 16 oil prospecting licences worth tens of millions of dollars handed out earlier this year by the last military regime, reports AFP.

The licences to prospect for oil in the oil-rich waters off Nigeria were given out in March and May this year, the office of Rilwanu Lukman, presidential adviser on petroleum said in a statement.

"The Federal Government has approved the cancellation of oil prospecting licences granted in March and May 1999, with immediate effect," the statement said.

The approval... covers licences awarded to 16 companies and organisations," it added. The withdrawal concerns oil

prospecting licences awarded earlier this year without a public tender. News of the licences caused an outcry in Nigeria after it emerged that several members of the outgoing administration were linked to some of the companies.

Among those named as linked to the companies were then military ruler General Abdulsalam Abubakar and his number two, Rear Admiral Mike Akhigbe.

Last month new Nigerian President Olusegun Obasanjo, sworn in on May 29, set up a panel under a respected businessman, Christopher Kolade, to review contracts, awards and licences given out in the last five months of the previous administration.

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 49.65									
Selling		Currency		Buying		Currency		Buying	
TT/OD	BC	TT	Clean	TT	Clean	TT	Clean	TT	Clean
TT/OD	BC	TT	Clean	TT	Clean	TT	Clean	TT	Clean
48.7300	48.7700	USD	48.3200	48.1599	48.0758	48.7300	48.7700	USD	48.3200
0.4091	0.4094	JPY	0.3861	0.3848	0.3841	0.4091	0.4094	JPY	0.3861
31.3155	31.3412	CHF	30.7866	30.8068	30.4952	31.3155	31.3412	CHF	30.7866
29.4406	29.4647	SGD	27.8309	27.7397	27.6902	29.4406	29.4647	SGD	27.8309
34.0886	34.1168	CAD	31.9958	31.8897	31.7709	34.0886	34.1168	CAD	31.9958
5.7450	5.7498	SEK	5.6780	5.6591	5.6473	5.7450	5.7498	SEK	5.6780
34.2816	34.3097	AUD	30.1034	30.0036	29.8070	34.2816	34.3097	AUD	30.1034
12.9611	12.9718	MYR	12.5824	12.5407	12.5090	12.9611	12.9718	MYR	12.5824
6.3300	6.3352	HKD	6.1796	6.1591	6.1460	6.3300	6.3352	HKD	6.1796
13.0998	13.1106	SAR	12.7904	12.7380	12.7057	13.0998	13.1106	SAR	12.7904
13.7371	13.7381	AED	13.0461	13.0028	12.9936	13.7371	13.7381	AED	13.0461
0.0418	0.0418	KRW	0.0410	0.0409	0.0408	0.0418	0.0418	KRW	0.0410
76.5158	76.5787	GBP	75.0506	74.8019	74.5270	76.5158	76.5787	GBP	75.0506
50.2211	50.2624	EUR	49.2671	49.1038	49.0180	50.2211	50.2624	EUR	49.2671

Usance Export Bills									
TT	DOC	30 days	60 days	90 days	120 days	180 days	240 days	360 days	480 days
48.2204	47.9228	47.5257	47.0690	46.5725	46.0760	45.5795	45.0830	44.5865	44.0900
Exchange rates of some Asian currencies against US dollar									
Indian Rupee	Pak Rupee	THAI BAHT	Malay Ringgit	Indo. Rupiah	Sing. Dollar	Phil. Peso	Thai Baht	Indo. Rupiah	Sing. Dollar
43.04	51.71	36.92	3.7999/3.8001	7250/7300	1.7065/1.7075	43.04	51.71	36.92	3.7999/3.8001
43.14	51.75	36.95				43.14	51.75	36.95	

Market Commentary									
On Wednesday, demand for dollar in the local interbank market was steady and dollar traded in a narrow range. It traded in the range of BDT 48.6500 to BDT 48.66. The corporate clients showed interest in taking forward cover to hedge their foreign currency exposure. The call money market spend a quiet day and the demand for call money was low. There was ample liquidity in the market, and as a result, the call rate ranged between 5.5 to 6.5 per cent.									
In the international market, dollar was confined to an extremely tight range amid nervousness about a possible Bank of Japan intervention to buy dollars. Meanwhile, senior Japanese Finance Ministry official Kuroda said he was watching the yen's exchange rate against dollar and euro more closely than in the past. Elsewhere, euro is moving in narrow ranges against dollar and yen. The euro was supported by denials from the French officials that there might be a possibility of consideration of loosening the strict fiscal criteria governing the monetary union. At 1500 hours local time, US dollar closed at 1.0245/50 euro, 121.99/122.09 yen and GBP at 1.5626/36 USD.									
— Standard Chartered Bank									

Shipping Intelligence

Chittagong port						
Berth position and performance of vessels as of 6.7.99						
Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Alpine	Gr	Yang	SMSL	3/6	7/7
J/2	Edel Weiss	Gr	Gr	Prog	21/6	7/7
J/3	Banglar Kallol	Wheat(Gr)		BSC	R/A	11/7
J/4	Handy Esperance	Pease(G/Sing)		Litmond	30/5	10/7
J/5	Phaethon	Sugar(Gr)	Durb	Oswl	10/6	12/7
J/6	Cardhu	Gr	Sing	Everett	13/6	8/7
J/7	Vishva Prafulla	Rice(Gr)	Mong	Oil	24/6	11/7
J/8	Zeynep Kaptanoglu	Wheat(P/P)	Said	OWSL	3/5	11/7
J/9	Encouragement	Sugar(Gr)	Maza	Litmond	20/6	13/7
J/10	Sun-II	Wheat (P)	Turk	Rainbow	3/5	7/7
J/11	Banglar Kakoli (48)	Gr	Mong	BSC	1/7	7/7
J/12	Kota Cahaya	Cont	Sing	Pil(BD)	28/6	6/7
J/13	QC Teal	Cont	Sing	QCSL	3/7	9/7
CCT/1	Banglar Birol	Cont	Sing	BD Ship	3/7	9/7
CCT/2	Bunga Mas Lima	Cont	P Kel	EOSL	2/7	8/7
CCT/3	Dafa	Cont	Sing	RSL	29/6	8/7
RM/14	Humber	Cement	Jaka	Able	7/4	8/7
RM/15	Hyok Sin	Cement		USTC	R/A	11/7
CCJ	Corali	C.Clink	Thal	RML	18/6	9/7
CSJ	AL Bauraq	C.Clink	PSAL	Pusk	10/6	15/7
TSP	Tarpon Santiago	R Phos	Sing	USTC	29/6	10/7
RM/3	Secre	CDSO	Col	Rainbow	22/6	7/7
RM/4	Shannon	CDSO		Seacom	30/6	9/7
RM/6	Banglar Doot	Bunker		BSC	R/A	6/7
DDJ	Banglar Jyoti	C Oil		BSC	R/A	9/7
DDJ/1	Tanary Star	Idle	Para	PSAL	-	-
DDJ/2	Unity	IDLE	Mong	SSST	17/5	8/7
RM/8	Sea World	Repair		CCNL	R/A	25/7
RM/9	Banglar Maya	Repair		BSC	R/A	10/7
CUFJL	Mary Nour	Cement	Mala	BSL	25/6	8/7
Kafco(U)	Hainan No.1	Urea		MBL	30/6	7/7

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Nikie	6/7	Sing	OTBL	Scraping	
EDMO	6/7	Sing	OTBL		
Banglar Gourab	14/7	Kara	BSC	GI/Rice	
Bharatendu (48/28/6	7/7	-	SSLL	Gl(St Coll)	Sing
Kota Berjaya (Cont) 28/6	7/7	P Kel	Pil (BD)	Cont	Sing
Bunga Mas Enam (Cont) 29/6	7/7	P Kel	EOSL	Cont	Sing
Tiger River (Cont) 1/7	7/7	-	Nol		
Ostfriesland	7/7	Sant	Litmond	Sugar	
Flag Investor	8/7	-	-	Cement	
Lokpratima	9/7	Hous	Litmond	Fert	
Teresa Prestige(48/28/6	9/7	-	Everett	Gl	
Kota Singa (Cont) 28/6	8/7	Sing	Pil (BD)	Cont	Sing
Dewan-1	8/7	-	AML	Rice(P)	
Jaya Mars(Cont)29/6	10/7	Col	Baridithi	Cont	Col
Ever Cheer(48/28/6	9/7	Sing	RML	GI (St Coll)	
Ultima (Cont)28/6	9/7	Sing	QCSL	Cont	Sing
Banglar Shikha (Cont)1/7	10/7	Sing	BSC	Cont	Sing
Borobudur	9/7	-	USTC	Cement	
Sat Glory	10/7	-	PSAL	Cement	
Kota Naga (Cont)1/7	10/7	Sing	Pil(Bd)	Cont	Sing
Revenge	11/7	-	Sunshine	Salt	
Jaya Venus (Cont)	11/7	Sing	RSL	Cont	Sing
Joy World (48) 5/7	11/7	-	SSLL	GI (St Coll)	
Qc Pintall (Cont)29/6	10/7	Sing	QCSL	Cont	Sing
Karin Cat(48/28/6	12/7	-	Evag	GI (D Cargo)	
Buxmoon (Cont) 5/7	13/7	Sing	QCSL	Cont	Sing
Qc Mallard (Cont) 5/7	14/7	Sing	QCSL	Cont	Sing
Jourong Blasam(Cont)1/7	16/7	Sing	Nol	Cont	Sing
Banga Birai (Cont) 4/7	16/7	Sing	BD Ship	Cont	Sing
Xpress Resolve (Cont) 4/7	19/7	Sing	RSL	Cont	Sing
Roro Sian(Roro/24/11/7	21/7	Hochi	JF	Vehi	
Banga Ma Lapam (Cont) 5/7	14/7	P Kel	EOSL	Cont	Sing