

US-China trade talks resume

BEIJING, July 27: Despite lingering tensions over the NATO bombing of the Chinese Embassy in Yugoslavia, US Deputy Secretary of Commerce David Aaron met with senior Chinese officials Tuesday for talks on opening China's markets to more US companies, says AP.

China's invitation to Aaron reflects a gradual softening of acrimony over the May 7 bombing, which prompted Beijing to suspend talks with Washington on human rights, security issues and its 13-year effort to join the World Trade Organisation.

His visit follows one last week by US Assistant Secretary of State Stanley Roth, who met Chinese officials to discuss Taiwan and to prepare for a meeting between Secretary of State Madeleine Albright and Foreign Minister Tang Jiaxuan in Singapore over the weekend.

Aaron's day-long visit has raised hopes for a resumption of stalled talks on China's WTO bid.

"I think this invitation on the part of the Chinese is a positive step that we hope will create a better atmosphere for the other decisions they need to make concerning WTO," Aaron said in an interview Tuesday.

China has set a year-end deadline for joining the organisation, which sets rules for world trade, a goal Aaron said was "by no means impossible."

Aaron said he would present to the Chinese a proposal by Commerce Secretary William Daley for a meeting of a bilateral forum, the Joint Committee on Commerce and Trade, in the autumn.

Prior to the bombing, the two sides had made progress on a wide range of market access issues. Aaron acknowledged, however, that there have been delays in implementing earlier agreements, including long-sought-after licenses for two US

insurance firms and for allowing investment in digital phone technology called CDMA, or Code Division Multiple Access networks.

"You just have to keep pushing," he said.

Aaron's meetings with Minister of Foreign Economic Relations and Trade Shi Guangsheng and other senior officials are taking place amid signs that China's trade surplus with the United States is worsening due to an economic slowdown that has cut demand for US exports, Aaron said.

Last year, China posted a \$57 billion trade surplus with the United States, second only to Japan's \$64 billion surplus.

Aaron was to fly to Korea later Tuesday for talks on market access in such industries as steel, pharmaceuticals and autos and to assess South Korea's economic reforms.

As regional financial markets recover from last year's

crisis, there were signs that the momentum behind those reforms had flagged.

The bailout by creditors last week of the ailing Daewoo conglomerate, which narrowly escaped becoming South Korea's largest-ever bankruptcy, showed the region can not afford to back off from painful reforms, Aaron said.

The final leg of Aaron's trip takes him to Tokyo, where he plans to push the Japanese to do more to open its construction market, as well as seek progress on flat glass, autos, medical equipment, pharmaceuticals and electronic commerce.

Pointing to a US share of only \$50 million out of Japan's \$250 billion construction market, US officials contend that Japan has failed to carry out its pledges to open that colossal market.

Tokyo, Aaron said, "doesn't follow through on agreements... We won't put up with it anymore."

"It is my sincere hope that

ASEAN states ask for more US investment

SINGAPORE, July 27: Southeast Asian nations implored the United States on Tuesday to act quickly and provide much-needed aid and investment for Asia's economic revival, saying support from America was crucial for regional recovery, says AP.

Asia's trade with the United States contracted by 10 per cent following the regional crisis that hit in 1997, Syed Hamid said.

Although the United States remains a major investor in ASEAN, its investment in some of the region's hardest-hit economies — Indonesia, Malaysia, the Philippines, Thailand and Singapore — amounted to only \$4.9 billion in 1998, or 4 per cent of total US foreign direct investment, he said.

Syed Hamid devoted his entire opening speech to the aid issue, saying time was running out.

"We, therefore, call upon more US investors to objectively consider ASEAN countries as potential profit centers."

"It is my sincere hope that

today's exchange of views on this matter would mark the beginning of a meaningful and productive dialogue relationship... between ASEAN and the US as we enter the new millennium," he said.

Foreign ministers from the 10-member Association of Southeast Asian Nations met with a US delegation headed by Secretary of State Madeleine Albright.

Speaking for ASEAN, I wish to... seek cooperation and support in encouraging more American businesses to participate in the economic growth of the region," Malaysian Foreign Minister Syed Hamid Albar said to Albright.

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"It is my sincere hope that

\$80b Japanese aid to 6 Asian states likely

SINGAPORE, July 27: Japan will send a fact-finding mission to six Asian countries to see how it can help economic recovery by adding to a \$80 billion aid package already promised, its foreign minister said today, reports Reuters.

The mission will visit six Asian states from late August to early September, "Masahiko Komura told a meeting of foreign ministers from Southeast Asia, the United States, China, Russia, the European Union, South Korea and other nations.

He said the mission would visit South Korea, Thailand and Indonesia, the three nations hit hardest since the Asian financial crisis began in 1997. It would then go to Malaysia, the Philippines and Vietnam.

Singapore told the meeting of the Association of Southeast Asian Nations (ASEAN) foreign ministers and key global powers that despite signs of recovery in the region was not yet out of

the woods.

Foreign Minister S. Jayakumar said many Asian nations still needed to run their course.

"Our determination to stay the course and guard against complacency will be the clear demonstration of our resolve to strengthen our economic structure and institutions," he said.

Komura said Japan's mission would seek to "understand what approaches Japan and the Asian countries should take to ensure a fundamental recovery of the Asian economies and sustainable development."

He did not say how much additional aid was being considered.

Komura said about \$68 billion of the \$80 billion aid package had been disbursed. He did not detail plans for the remainder.

The foreign minister said strengthening the global financial system was an "urgent issue."



A street vendor displays a fake 50,000 rupiah note (about US\$7.2) bearing the portraits of Indonesia's top opposition leaders, Abdurrahman "Gus Dur" Wahid (L) and Megawati Sukarnoputri (R) for sale during a mass gathering at the Senayan stadium in Jakarta Tuesday. Megawati supporters attended a gathering to commemorate today the third anniversary of a bloody attack on the former PDI headquarters in 1996 when a splinter party faction backed by soldiers violently took over the building which had been then in hands of Megawati supporters.

—AFP photo

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.T. Clean	Buying OD. Sight Export Bill	Buying OD Transfer	
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850	
Pound Stg	79.4288	79.4926	78.2314	77.9728	77.8586	
Deutsche Mark	27.5298	27.5515	26.5388	26.4330	26.3943	
Swiss Franc	33.1865	33.2132	32.6731	32.5651	32.5174	
Japanese Yen	0.4292	0.4295	0.4216	0.4203	0.4196	
Dutch Guilder	24.4327	24.4524	23.5518	23.4597	23.4254	
Danish Krona	7.1811	7.1866	7.0175	6.9944	6.9841	
Australian \$	32.8627	32.6889	31.3823	31.2786	31.2238	
Belgian Franc	1.3347	1.3358	1.2866	1.2816	1.2797	
Canadians \$	33.2687	33.2954	32.3304	32.2235	32.1763	
French Franc	8.2083	8.2149	7.9712	7.8814	7.8696	
Hong Kong \$	6.4201	6.4253	6.3418	6.3206	6.3116	
Italian Lira	0.0278	0.0278	0.0268	0.0267	0.0267	
Norway Kroner	6.3920	6.3972	6.2876	6.2668	6.2576	
Singapore \$	29.8948	29.9188	28.9352	28.8395	28.7973	
Saudi Rial	13.2971	13.3078	13.1142	13.0709	13.0517	
UAE Dirham	13.5770	13.5880	13.3909	13.3466	13.3271	
Swedish Krona	6.0367	6.0415	5.9516	5.9415	5.9332	
Catamaran	13.027	13.7138	13.5116	13.4669	13.4472	
Kuwaiti Dinar	168.5763	168.7119	156.1748	155.6566	155.4307	
Thai Baht	1.3366	1.3377	1.3238	1.3195	1.3175	
Euro	53.8427	53.8860	51.9014	51.6984	51.6227	

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
49.2112	48.9090	48.4980	48.0870	47.6760	46.8540

US Dollar London Interbank Offered Rate (LIBOR)

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
49.0850	49.7300	USD	5.1800	5.3125	5.6400	5.7035	5.81625
77.8586	79.4288	GBP	5.9516	5.2787	5.4278	5.50375	5.60797
Cash/TC	78.2314	Euro	28.2750	28.8425	29.4125	30.00000	30.9438

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.300/	51.430/	37.19/	3.7995/	6965/	1203.0/
43.310	51.530	37.240	3.8005	6975	1203.9

Amex notes Tuesday's market

The USD/BDT market is likely to remain dull for some time to come. The market is liquid in USD, and the demand for USD has not increased for the past two weeks. Despite strong support from the market makers at 49.65, the USD/BDT rates are locked between 49.6000-49.6500 level. Unless the demand for USD increase or the liquidity of the interbank rises up, the rates are likely to stay in the same level.

The call rates have fallen below 6 per cent because of excess BDT liquidity. The market rates ranged between 5.10-6.00 per cent.

The dollar faltered against the yen by late Tokyo on Tuesday after an early upside test failed to drive it decisively above 117.50 yen due to an absence of dollar supporting intervention by the Bank of Japan. The persisting uncertainty in US asset markets and recent convincing recovery in European currencies have made operators cautious about increasing their dollar long positions. Seeing the limited recovery in dollar/yen, market makers sense eagerness in the market to test it down further. The assumption is that it's a matter of time for the market to test the dollar down towards a low of 115 yen. Meanwhile, Vice Finance Minister for International Affairs Haruhiko Kuroda said there was no change in Japan's foreign exchange policy after the dollar fell below 116 yen.

Euro's attempt to extend its recovery rally against the dollar was sidetracked on Tuesday by a report that Bundesbank President-designate Ernst Weilteke did not want the single currency to be too strong and that a strong euro would hurt exports.

The euro, which had been edging back up toward Monday's two month highs above \$1.07, dropped nearly a full cent after Weilteke's remarks in a German newspaper, even though market saw the setback as temporary phenomenon and the bias is still for euro/dollar to push a little bit higher.

Sterling fell against dollar in early Europe following drop of 2/3 cent in euro/dollar after Bundesbank's Weilteke's comment.

At around 0732 GMT the exchange rates of major currencies against USD were GBP/USD 1.5903/06, USD/SFR 1.5072/82, USD/JPY 116.61/66, EUR/USD 1.0628/35.

Shipping Intelligence

Chittagong Port

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of leaving

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