The Daily Star BUSINESS

US to deny entry of illegally transshipped textile soon

WASHINGTON, Aug 3: The United States will soon deny entry of textiles and apparel from foreign companies found to be illegally transshipping, closed, or are unable to provide verification of the origin of their products, Commerce Secretary William M Daley announced.

The initiative is part of the Clinton Administration's efforts to prevent illegal textile transshipments from factories seeking to circumvent US quotas, Daley said, according to USIS.

The Interagency Committee for the Implementation of Textile Agreements (CITA), chaired by Deputy Assistant Secretary of Commerce Troy Cribb, has directed US Customs Service to issue new regulations and deny entry of goods from specific factories.

"These measures represent the strongest actions ever taken against transshippers on a company-specific basis and are part of a broader initiative undertaken to ensure the integrity of our trade agreements," said Commerce Secretary William M Daley. "This is a zero tolerance policy for companies that are clearly skirting the rules."

The first companies to be affected will be 77 firms from the territory of Macau. Customs will deny entry to textiles and textile products manufactured by any of these firms and exported from Macau on or after September 1.

"We are acting to ensure that imports of textiles and apparel from Macau conform to country of origin requirements for import into the United States and do not illegally circumvent our textile agreements," Cribb said. She said similar enforcement efforts will be taken against other companies in Macau and elsewhere, as needed.

This announcement reflects a stepped-up enforcement effort among several government agencies, said US Chief Textile Negotiator Don Johnson with the Office of the US Trade Representative. "Enforcement of our agreements has been a cornerstone of this Administration's trade policy. Circumvention violates our law, undermines the integrity of our textile agreements, and harms the US textile and apparel industry and legitimate import trade. These measures are a necessary component of our enforcement effort."

US Customs Commissioner Raymond W Kelly said his agency is "re-energizing its commitment to the enforcement of our textile agreements in partnership with both CITA and industry groups."

Oil prices edge up

LONDON, Aug 3: Oil prices edged up yesterday, underpinned by an OPEC recommendation that its members stick to stringent supply cuts for the next eight months, says Reuters.

Benchmark Brent crude settled four cents firmer at $19.41 a barrel, double the single-digit levels at the turn of the year amid market oversupply.

Crude hit a fresh 20-month high of $19.95 on Friday but closed 43 cents lower on the day after speculators cashed in gains ahead of the weekend.

Sentiment remained supported by signals from the Organisation of the Petroleum Exporting Countries (OPEC) that it would abide by tough output limits despite the price rally.

The agreement, implemented in March and due to last a year, was aimed at trimming the global oversupplies which had pulled oil prices down to historic lows at the start of the year.

A committee of OPEC ministers on Friday recommended the group keep its curbs until at least the end of March to support the market and added they want average prices to rise further.

The recommendation agreed upon at a meeting of Iranian, Kuwaiti and Nigerian officials in Vienna will be sent to the cartel's September 22 ministerial meeting, which has power to alter the output pact.

OPEC tightened its compliance in July by 89 per cent from 82 per cent in June, Geneva-based consultants Petrologistics, which monitors cartel supplies, told its clients in a preliminary report.

Figures dated July 29 show OPEC output averaged 26.04 million bpd for all but the last few days of the month, compared with June's output estimate of 26.33 bpd.

Triumph women workers hold a banner with woman underwear during a demonstration in front of the Governmen House in Bangkok Tuesday. Triumph underwear factory workers have demanded an eight percent pay rise while the management has offered just six percent. —AFP phot

Trade chief mum on WTO entry talks

China to cut tariffs, open new sectors

BEIJING, Aug 3: Foreign Trade Minister Shi Guangsheng said China will reduce tariffs and open new sectors of the economy regardless of when it joins the World Trade Organisation (WTO), Xinhua news agency reported today, reports Reuters.

The official agency's report of a speech Shi delivered at a national conference last week made no mention of when Beijing would resume stalled talks with the United States over entry into the world trade body.

"China will, despite the time of its accession to the WTO, continue to open up further to the outside world according to the need of the national economy," Xinhua quoted Shi as saying.

Beijing froze talks with Washington after NATO's bombing of the Chinese embassy in Yugoslavia on May 7. China has rejected US explanations that the missile attack was an error.

Last week the United States agreed to pay $4.5 million in compensation for three Chinese killed and 27 wounded in the strike, raising expectations that China would return to the table to put the finishing touches on its 13-year-old WTO bid.

US Trade Representative Charlene Barshefsky said on Monday she was unsure if China would resume talks with the United States on the issue.

She said Chinese leaders might not give word on whether they wanted to restart the stalled negotiations until after their annual August policy retreat at the Beidaihe seaside resort.

The Communist Party conclave at a village about 140 miles (230 km) east of Beijing was expected to focus on ways to jump start a sputtering economy and revive struggling state-owned enterprises.

Concerns about slower growth, falling exports and slowing foreign investment inflows have lent impetus to market-opening offers China has made in the context of WTO talks.

Xinhua, quoted Shi as saying market-opening offers, including cutting tariffs and eliminating non-tariff barriers, would take into consideration "the actual need of economic growth."

Shi's speech reiterated China's intention to ease tight restrictions on foreign investment in such sectors as banking, insurance, and retailing.

Russia looks to London Club meet for debt restructuring

LONDON, Aug 3: Russia hopes to take another important step towards improving its shaky financial standing in the world this week when it meets with commercial London Club creditors to try and restructure $32 billion of debt, says Reuters.

Analysts said Finance Minister Mikhail Kasyanov could reach a deal similar to that reached with Western governments of the Paris Club this weekend who agreed to roll over, but not write off, the $38 billion Russia also owes them.

But they said any final solution to Russia's strained financial relations with the West, or its crippling $ 150 billion debt mountain, will likely have to wait until after presidential elections next June, despite an auspicious new agreement with the International Monetary Fund signed last week.

"The London Club talks are an important part of Russia's financial puzzle, but not a critical piece," J P Morgan emerging markets economist Arnab Das said.

"The critical piece is the elections. Everything hinges there: Russia's financial orientation to the West, the kind of reform programme it implements, and in turn the degree of Western help and debt relief it receives."

Just a year after Russia's default on domestic debt pushed the global financial system to the brink, the official and longawaited London Club negotiation are due to begin on Tuesday in Frankfurt.

Few investors expect much price-moving news for debt markets to emerge from this week's meetings.

The group, a loose gathering of commercial creditors that varies in its make-up from negotiation to negotiation, has already held several brief rounds of talks with Moscow.

But it has held back from striking a deal until Russia signed an agreement with the International Monetary Fund, which it did last week, and the Paris Club.

"The London Club is probably breathing a sigh of relief today as the Paris Club's terms were not very concessional," BSCH fixed income analyst Barbara Petisch said.

"There was no debt forgiveness at this point, so no dangerous benchmark was set."

Even with debt forgiveness off the agenda, as widely expected, analysts say the negotiations are unlikely to go as smoothly or as fast as the four days it took Russia to secure a temporary reprieve on the money it owes Western governments.

London Club members include commercial banks and pension funds with more diverse interests than Western governments. The debt has already been restructured once and is now widely traded in secondary markets as Interest Arrears Notes (IANs) RUSIAN RR and Principal Notes (PRINs) RUSPRIN RR.

Relation were also poisoned in May when a group of US investors threatened to sue after Russia failed to service the bonds. "I expect a result somewhat similar to the Paris Club... which was essentially rescheduling of flows until the end of 2000 and a commitment to look at debt stocks after the presidential elections," Das said.

"The incentives to go faster are not necessarily that strong. Some investors may push faster, but banks will resist."

Such a result might dash Kasyanov's hopes of a quick deal but would still give Russia significant cashflow relief as it heads into election season.

Payments on London Club debt this year and next total nearly $2.7 billion. That, on top of the IMF's $4.5 billion loan and an $8.1 billion debt rollover from the Paris Club for 1999 and 2000 "is in no way pocket change," Das said.

Negotiators meet creditors in Frankfurt

Meanwhile, Russian debt negotiators meet western creditor banks in Frankfurt today to discuss a rescheduling of Russia's foreign debt, Germany's Deutsche Bank AG said.

The talks will be hosted by Deutsche, which chairs the bank advisory committee of the so-called London Club of commercial creditors.

A bank spokesman declined to say how long the talks were scheduled to last and whether they would be followed by a news conference.

Russia hopes the meeting will bring it an important step further towards improving its shaky financial standing in the world.

Floods hit Filipino markets

MANILA, Aug 3: Heavy rains and flash floods forced the closure of Philippine financial markets today, but officials said most of the damage was concentrated in the flood prone capital, Manila, reports Reuters.

Damage to crops was minimal, and movement of goods was not affected, they said. Factories outside Manila operated at normal capacities.

Government offices and private companies in Manila cut working hours by half on Tuesday because of the rains. The government also closed offices early on Monday.

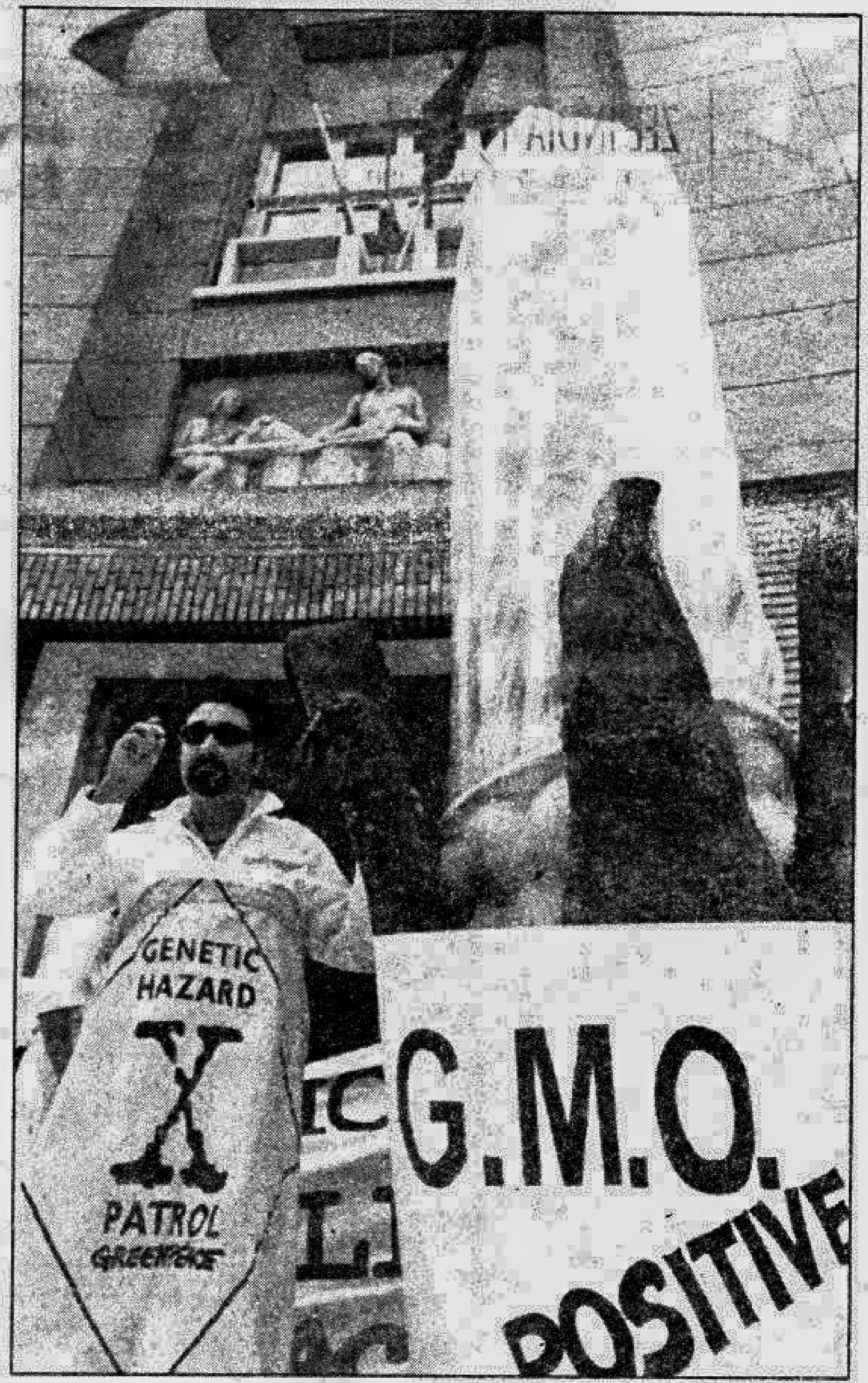
Major ports, including the Manila International Container Port and the Mariveles grain terminal in Bataan near Manila, and the country's major oil refineries were not affected.

"The (Mariveles gains terminal) is in operation... but heavy rains, strong winds and waves affected discharging operations of one ship carrying 50,000 tonnes of US soybean meal," and official at the terminal told Reuters.

The flooding was concentrated in the 17 cities and towns in the Metro Manila area, a problem which has affected operations in the country's financial hub for many years.

Elsewhere in the archipelago, rains were heavy but there was not much effect on normal life.

"Two days of low production in factories and in offices is quite substantial. I think the people of Manila have to address this problem once and for all," businessman Raul Concepcion said.



A member of the Greenpeace organization stands next a giant corn husk covered with a condom in front of the entrance of the Italian Health Ministry in Rome to protest against transgenic food. —AFP photo

Selling spree sweeps Japan's debt market over rate rise comments

TOKYO, Aug 3: A series of comments suggesting Japanese monetary authorities are unworried by recent rises in long-term interest rates spurred selling of Japanese government bonds (JGBs) today, says Reuters.

Finance Minister Kiichi Miyazawa fired the first shot today morning when he said he was not concerned about rises in long-term interest rates as long as they were based on hopes for an improvement in the economy.

Bonds were dealt a further blow when Bank of Japan Governor Masaru Hayami said it was conceivable that steps to change monetary policy would be taken if economic condition improved a bit further.

"If the economy does look brighter, then we should seize that timing, and with due consideration, take the next step (in monetary policy)," Hayami said in testimony to the Upper House of parliament.

"But for now, we will stick to our zero-interest rate policy," Hayami added.

The yield on the August 214th 10-year JGB rose after Hayami's comments to 1.895 per cent from 1.840 per cent on Monday, its highest since 1.990 per cent on June 30, although it retreated modestly to 1.880 per cent late on Tuesday afternoon.

Analysts said the comments by Hayami and Miyazawa were probably made with the aim of deflecting political pressure for the BOJ to raise the amount of its outright JGB buying, and for the government to adopt a large-scale supplementary budget.

"The BOJ probably want to deflect political pressure to increase outright buying of JGBs which could lead to inflation and hurt the economic well-being of future generations," said Seiji Shiraishi, senior economist for Daiwa Institute of Research.

"Finance Minister Miyazawa's comments suggest that his view on the economy may be a bit more positive than other government officials," said Kenji Yumoto, senior economist at the Japan Research Institute Ltd.

"He may be taking such an upbeat stance to play down the need for a large-scale supplementary budget," Yumoto said.

But other analysts disagreed, saying that Miyazawa's comments may signal his intent to open the way towards additional fiscal stimulus measures.

Yasunari Ueno, chief market economist for Fuji Securities, said Miyazawa's comments may be a message to market players who think rises in JGB yields may prevent the adoption of a large scale extra budget. "I think monetary authorities are more concerned about share prices right now than levels of long-term interest rates," and if extra fiscal stimulus steps can boost share prices, the authorities are likely to welcome that, Ueno said.

In either case, analysts said, it is too early to expect 10-year JGB yields to rise sharply beyond two per cent.

"Unless firms' capital expenditure recovers, it is hard to expect JGB yields to keep rising based on economic fundamentals," said Japan Research's Yumoto.

MAS suffers $168m loss

KUALA LUMPUR, Aug 3: Malaysian Airlines, the country's national carrier, suffered a 639.5 million ringgit ($168.2 million) loss in the 1998-99 financial year, Parliament was told Tuesday, says AP.

Transport Minister Ling Liong Sik cited hikes in fuel prices and reduced traffic flow as reasons for the loss, Bernama news agency reported.

Domestic flights alone recorded losses of 1 million ringgit ($ 263,000) a day during that period.

Most Asian stocks post cautious gains

SINGAPORE, Aug 3: Most Asian stock markets posted cautious gains today, relieved by a steadier Wall Street and a stronger dollar, but some investors remained wary over the outlook for US interest rates and China-Taiwan ties, reports Reuters.

Tokyo's benchmark Nikkei 225 average closed up 0.8 per cent at 17,969.93, while Hong Kong's Hang Seng index ended the day 0.3 per cent higher at 13,473.84.

The Nikkei wallowed in negative territory for most of the day but investors drew comfort from the yen's late fall against the dollar, which was at 115.51/56 yen at 0920 GMT, compared to a New York close of 114.32/42.

"The halt of yen's firming was a favourable factor for the market, especially for export-oriented high-tech shares," said Noriko Irie, market economist at Fuji Securities Co Ltd.

The dollar enjoyed a short-covering rally past the 115.30 yen resistance after Finance Minister Kiichi Miyazawa said he had talked by phone with US Treasury Secretary Lawrence Summers and agreed to keep closely exchanging views on exchange rates.

The euro was little changed at $1.0652/57.

Japanese government bonds (JGBs) cash and futures prices pared some early losses in late trade as light bargain-hunting prevented the 10-year JGB yield from rising to 1.9 per cent.

The Dow Jones industrial average fell 0.1 per cent to 10,645.96 on Monday after heavy losses late last week.

Hong Kong stocks were lifted by demand for banks stocks after unexpectedly good results from HSBC Holdings and Hang Seng Bank Ltd.

But fears of a US interest rate hike and escalation of tensions between China and Taiwan kept Hong Kong shares in a tight range.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies

Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD. Sight Export Bill	Buying OD Transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Stg	80.7018	80.7668	79.5186	79.2558	79.1397
Deutsche Mark	27.5268	27.5489	26.5519	26.4481	26.4093
Swiss Franc	33.3333	33.3601	32.8275	32.7190	32.6711
Japanese Yen	0.4351	0.4355	0.4276	0.4262	0.4256
Dutch Guilder	24.4305	24.501	23.5653	23.4731	23.4387
Danish Krona	7.3772	7.3832	7.2063	7.1825	7.1720
Australian $	32.8715	32.8980	31.5895	31.4851	31.4389
Belgian Franc	1.3346	1.3357	1.2873	1.2823	1.2804
Canadians $	33.3624	33.3892	32.4196	32.3125	32.2652
French Franc	8.2075	8.2141	7.9168	7.8859	7.8743
Hong Kong $	6.4195	6.4247	6.3412	6.3202	6.3110
Italian Lira	0.0278	0.0278	0.0268	0.0267	0.0267
Norway Kroner	6.4400	6.4452	6.3336	6.3127	6.3035
Singapore $	29.9218	29.9458	28.9607	28.8649	28.8227
Saudi Rial	13.2986	13.3093	13.1158	13.0723	13.0531
UAE Dirham	13.5774	13.5883	13.3913	13.3470	13.3275
Swedish Krona	6.0757	6.0806	5.9999	5.9801	5.9713
Qatari Riyal	13.6978	13.7089	13.5068	13.4621	13.4424
Kuwaiti Dinar	169.0921	169.2282	156.6211	156.1035	155.8749
Thai Baht	1.3356	1.3366	1.3221	1.3177	1.3158
Euro	53.8377	53.8810	51.9310	51.7279	51.6521

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	5.20250	5.36375	5.74000	5.80500	5.937550
79.1397	80.7018	GBP	5.27172	5.29328	5.57391	5.68469	5.86406
Cash/TC	Cash/TC	Euro	2.63438	2.69588	3.01150	3.09613	3.19250

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.370/43.380	51.390/51.490	37.270/37.310	3.7999/3.8001	6870/6900	1198.0/1198.3

Amex notes on Tuesday's market

The USD/BDT interbank market has remained stable in the past week. USD liquidity has forced USD/BDT rates to stay in the 49.6200-49.6500 level despite strong support for USD at 49.6450 from the market makers. It is likely that the market will remain sedate for the coming week because of the liquidity of the market.

The call rates have fallen below 6 per cent because of excess BDT liquidity. The rates stayed in the 5.50-6.00 per cent level.

The dollar staged an overnight comeback and sailed above 115 yen on Tuesday as the yen was hit after remarks by Japanese Foreign Minister Kiichi Miyazawa sparked fears of joint US/Japan foreign exchange intervention. The dollar, which had plunged to a five and-a-half month low of 113.80 yen on Monday, rose nearly 1.5 per cent after Miyazawa said he and US Treasury Secretary Lawerence Summers had agreed to keep in close contact on currency moves and that Japan and the US viewed sharp currency fluctuations as undesirable.

But market makers said Miyazawa's comments had been used as an excuse to buy back dollars and that the rally could soon fade. The market did not really believe the US were interested in intervening at these levels. Basically the market was very short of Dollars yesterday and the Miyazawa comments just came in handy.

By 0752 GMT, the dollar was at 115.40/45 yen from 114.21/31 in late European trading on Monday. Market makers said the dollar's advance was facilitated by a favourable chart pattern. The assumption is that the technical indicators are breaking higher from oversold territory, but market needs to see resistance at 115.80 overcome in order to sustain the recovery and move to the 117.30 and possibly even 117.70 area.

At around 0800 GMT the exchange rates of major currencies against USD were GBP/USD 1.6158/68, USD/CHF 1.4990/5000, USD/JPY 115.32/37 Eur/USD 1.0657/62.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 3.8.99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Eleftherotria	Sugar(G)	Sant	Fortune	19/7	9/8
J/3	Nopporn Naree	R.Seed	Lapa	Rainbow	13/7	6/8
J/4	Great Cheer	GI(D.P)	Sing	Rainbow	7/7	5/8
J/5	Jaami	GI(LOG)	Jang	Royal	26/7	3/8
J/6	Elice(48)	GI	Sing	Everett	29/7	6/8
J/7	Yang Lin	GI	Sing	Bdship	26/7	8/8
J/8	Minerva-P	Wheat(P)	Houst	Rainbow	23/7	6/8
J/9	Osteriesland	Sugar(G)	Sant	Litmond	10/7	9/8
J/10	Kota Singa	Cont	Sing	Pil(BD)	29/7	5/8
J/11	Sheng Mu	Wheat(P)/GI	Sing	MSA	4/7	5/8
J/12	Nordkap	Cont	Sing	RSL	25/7	5/8
[illegible]	[illegible]	[illegible]	[illegible]			[illegible]
CCT/1	Sin Hai	Cont	P.Kel	RSL	28/7	5/8
CCT/2	Bunga Mas Enam	Cont	P.Kel	EOSL	28/7	4/8
CCT/3	Jaya Mars	Cont	Col	Baridhi	30/7	4/8
RM/14	BUT1	Cement	-	Able	R/A	5/8
RM/15	Sarah-1	Rice(P)	-	SMSL	R/A	-
CCJ	Youngliy	C.Clink	-	PSAL	R/A	5/8
GSJ	Borobuder	Cement	Zaka	USTC	R/A	10/8
TSP	Chopol-1	R Phos	Indo	Seacom	14/7	7/8
RM/3	Lipetsk	CDSO	Durb	Rainbow	23/7	3/8
RM/6	Kemilau (Diamond)	C.Clink Tanj	PSAL	13/7	6/8	
DOJ	Everise Glory	Cement	Sing	USTC	19/5	7/8
RM/8	Sea World	Repair	-	CCNL	R/A	5/8
RM/9	Banglar Jyoti	Repair	-	BSC	R/A	7/8
CUFLJ	Phaethon	IDLE	Durb	OWSL	10/6	5/8

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Hual Trotter	3/8	Kuwa	MMI	Vehi	-
Martina	3/8	Mong	SMSL	-	-
Sam	3/8	-	Viking	Scraping	-
Athenian Horizon	3/8	Sing	OTBL	-	-
Achiever	3/8	Sing	RSL	Cont	Sing
Fontana	5/8	Sant	Eortune	Sugar(G)	-
Xpress Makalu(Cont)	5/8	Sing	Baridhi	Cont	Col
Karunia Pacific	4/8	Pada	SMSL	Cement	-
Revenge	3/8	MUMB	Sunshine	GI	-
Lacontkos-II	4/8	Mumb	UMTL	GI(St.Coil)	-
Banglar Mamata	8/8	Mumb	BSC	GI	-
Flag Investors	6/8	Kochi	BSL	Cement	-
Star Glory	5/8	-	PSAL	Cement	-
Jaya Venus(Cont)	5/8	Sing	RSL	Cont	Sing
Eliza(Cont)	5/8	-	Baridhi	Cont	Col
Koushun	5/8	PKel	Everett	Vehi	-
Bunga Mas Lima(Cont)	6/8	-	EOSL	Cont	Sing
Kota Cahaya(Cont)	6/8	Sing	Pil(BD)	Cont	Sing
Seven Seas	6/8	-	Prog	GI	-
Pernas Proton	8/8	Sing	RML	GI(ST.Coil)	-
Banglar Doot	7/8	Mong	BSC	-	-
Banga Biraj(Cont)	9/8	Sing	Bdship	Cont	Sing
Xpress Resolve(Cont)	8/8	Sing	RSL	Cont	Sing
Yong Jiang	8/8	-	Bdship	GI	-
Banglar Robi(Cont)	8/8	Sing	BSC	Cont	Sing
QC Mallard(Cont)29/7	8/8	Sing	QCSL	Cont	Sing
QC Teal(Cont)	9/8	Sing	QCSL	Cont	Sing
Joy World	8/8	Tanj	SSLL	GI(St.Coil)	-
Tiger River (Cont)	11/8	Sing	Nol	Cont	Sing
Banglar Moni (Cont)	13/8	Sing	BSC	Cont	Sing

Tanker due

Rheinstern	5/8	-	Seacom	-	-
HHM	5/8	-	Atlantic	Bitumen in Bulk	-

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Vessels at Kutubdia				
Energy Explorer-IV	-	-	BBAL	5/4
Seabulk Command	-	-	IBS	R/A(5/7)
Seabulk Eagle	-	-	-	R/A(28/7)
Vessels at outer anchorage				
Ready on:				
Saigon-1	R Phos	Jibo	Seacom	21/7
Bunga Mas Lapan(Cont)	Cont	P.Kel	EOSL	31/7
Kota Naga(Cont)	Cont	Sing	Pil(BD)	31/7
Ultima (Cont)	Cont	Sing	Pil(BD)	31/7
Brisa Azul (48)	GI	Yang	Everett	2/8
Silver Star	C Clink	Gres	MBL	2/8
Juroing Balsam (Cont)	Cont	Sing	NOL	2/8
Ocean-1	GI	Yang	SMSL	3/8
Oriental Fortune	CPO	P Guda	TSL	3/8
Vessels not entering				
Lokpratima	Fert	P Said	Litmond	7/7
Diglipur	Scraping	Col	SSLL	4/7
Sea Eagle	Ballast	Mong	EOSL	31/7
Athenian Glory	Ballast	Sing	OTBL	1/8

The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by **HRC Group**, Dhaka.