

Ministers meet in Vienna Wednesday

OPEC to hold line on output despite price surge

PARIS, Sept 20: OPEC oil ministers meeting in Vienna from Wednesday are expected to reiterate their pledge to maintain output cuts until March despite soaring prices, says AFP.

"Most of the ministers have already said publicly that they will maintain the production cuts until March," so from that point of view the meeting is likely to be short and simple, an organisation of Petroleum Exporting Countries source said.

The real question, analysts say, is how high OPEC wants to see prices go before it boosts output and, more importantly, how long individual members will resist the temptation to try to reap more benefit from the higher price.

Crude oil prices have risen sharply since a second round of OPEC cuts in March and on late Friday Brent crude oil for November delivery was quoted at 22.80 dollars a barrel in London, more than double its level at the beginning of the year.

But OPEC members say they still plan to hold the line on output for the moment, although International Energy Agency executive Director Robert Priddle noted on Thursday that the higher the price, the greater the temptation for

producers to increase output. And while high prices might be welcome to OPEC members now, "if it lasts too long it can only be detrimental to OPEC in the long-term," said Peter Bogin of Cambridge Energy Research Associates in Paris.

"What they are creating is a roller coaster," Bogin said. If prices get up to 26 dollars a barrel before the March meeting, OPEC could decide to hold an emergency meeting to discuss ending the cuts sooner — but that would immediately send the market a message that would lead to a "rapid price decline," he said.

What they are creating is a roller coaster, he added. Venezuela is proposing to limit price fluctuations through a price band that would allow for automatic increases or cuts in output if the price went too high or too low, but that is the thinking of people who have no understanding whatsoever of how the modern globalised economy works," Bogin said.

Venezuela has not won the support of other OPEC members for this idea. While prices have risen in recent months, and demand is expected to rise further with the arrival of the northern hemisphere winter, stock levels still

remain high after rising to saturation levels still remain high after rising to saturation levels following the Asian financial crisis.

"We think there is still a substantial volume of stock held in the system" despite output cuts which have taken four million barrels a day off the market, Priddle said.

But "if our figures are right, certainly by the end of this year we will be down at or below the level of stocks that was held at the end of 1997," presuming the OPEC output cuts hold, he said. OPEC output in August averaged 26.04 million barrels a day, according to IEA figures, compared with 27.92 million barrels a day in 1998 and 27.71 million barrels a day in the first three months of the year.

This compares with demand for OPEC oil of 26.1 million barrels a day in the second quarter of the year. But if the 11 OPEC members have managed to present a united front on output, they are shaping up for what could be a lengthy dispute over who is to succeed Lukman Lukman as the organisation's secretary-general.

Lukman, who has held the post since the beginning of 1995, has been appointed oil

advisor to the Nigerian president, and already spends the bulk of his time on that job.

But last time the post fell vacant it took OPEC six months to agree a replacement, largely because any decision has to be unanimous.

Both Iran and Saudi Arabia, the world's largest oil producer, have already laid claim to the post for their candidate and show no sign of backing down. Saudi Arabia is nominating a senior oil ministry official, Suleiman al-Herbiche, while Iran has put forward Iranian oil ministry advisor Hussein Kazempour Ardebili.

If neither steps down, Algeria is suggesting its oil minister, Youcef Youcef as a compromise candidate.

It is all the more important that the OPEC secretariat in Vienna have someone at the helm over the next six months because the organisation is planning only the second summit in its 40-year history, to be held in Caracas early next year.

If the worst came to the worst, OPEC source say, the organisation could do what it did back in 1994 before reaching agreement on Lukman's appointment and name the current holder of the OPEC presidency for the interim.



Lebanese men work at the construction site of the American fast-food chain Burger King, in Jal el-Dib, north of Beirut on Monday. Arab and Moslem countries threatened to boycott Burger King after it opened an eatery in the Israeli settlement of Ma'ale Adumin in the occupied West Bank. — AFP photo

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies					
Currency	Selling T.T. & OD	Selling BC	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	80.9803	81.0455	79.7948	79.5311	79.4146
Deutsche Mark	26.8631	26.8848	25.8883	25.7870	25.7493
Swiss Franc	32.3932	32.4192	31.9037	31.7983	31.7517
Japanese Yen	0.4633	0.4637	0.4550	0.4535	0.4528
Dutch Guilder	23.8415	23.8607	22.9763	22.8864	22.8529
Danish Krona	7.0191	7.0247	6.8614	6.8388	6.8287
Australians	32.5732	32.5994	31.2935	31.1901	31.1444
Belgian Franc	1.3024	1.3035	1.2552	1.2503	1.2484
CANADIANS	34.1154	34.1428	33.1407	33.0312	32.9828
French Franc	8.0096	8.0161	7.7190	7.6888	7.6775
Hong Kong \$	6.4156	6.4208	6.3379	6.3170	6.3077
Italian Lira	0.0271	0.0272	0.0261	0.0260	0.0260
Norway Kroner	6.3309	6.3360	6.2272	6.2096	6.1975
Singapore \$	29.6913	29.7152	28.7489	28.6479	28.6000
Saudi Rial	13.2979	13.3086	13.1149	13.0716	13.0524
UAE Dirham	13.5767	13.5876	13.3909	13.3466	13.3271
Swedish Krona	6.0250	6.0298	5.9501	5.9304	5.9217
Qatari Riyal	13.7016	13.7126	13.5086	13.4640	13.4443
Kuwaiti Dinar	169.3224	169.4586	166.8702	166.3518	166.1228
Thai Baht	1.2482	1.2472	1.2338	1.2297	1.2279
Euro	52.5397	52.5820	50.5331	50.4351	50.3612

Bill buying rates					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
49.2112	48.9050	48.4980	48.0670	47.6760	46.8540

US dollar London Interbank Offered Rate (LIBOR)					
Buying	Selling	Currency	1 Month	3 Months	6 Months
49.0850	49.7300	USD	5.38125	5.51250	5.94125
79.4146	80.9803	GBP	5.19156	5.46313	5.94281
Cash/TC	Cash/TC	Euro	2.58000	2.66563	3.10925

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.545/43.550	51.780/51.800	39.970/40.001	3.7995/3.8005	8280/8380	1200.7/1201.0

Amex notes on Monday's market
The interbank USD/BDT market is still liquid in USD. The market remained stable and the rates today were at 49.50-49.52 level.

Call rates went down a little as T-bills maturity and acceptance figured mismatched by almost 200 crore taka. The rates today ranged in the 7.75-8.50 per cent level.

Prices of Japanese government bonds ended higher on Monday as speculation mounted that the BOJ would be forced to ease monetary policy to fight a surge in the yen that may derail Japan's economic recovery. JGBs had been surprisingly well bid for the day. Hopes for a monetary easing are heating up among overseas operators and in the Euroyen futures market in particular. Key March 10-year JGB futures ended at 132.44, up sharply from Friday's close of 131.75. Turnover was a light 25.415 lots. The yield on the key 10-year 215th JGB stood at 1.650 per cent at 0642 GMT, down from 1.705 per cent late on Friday. Besides a BOJ Policy Board meeting on Tuesday, market would be focusing on the results of an auction of 10-year JGBs the same day. Judging from current market conditions, the coupon rate for the new 10-year JGBs is likely to be set at 1.7 per cent, a level that may be too low to attract active bids by Japanese investors.

The yen was on its heels in early European trading on Monday as speculation grew that Japanese authorities might be gaining support from their Group of Seven counterparts to curb the currency's strength. The dollar and the euro retained most of their overnight gains to one-week highs against the yen as the market awaited Tuesday's BOJ's policy board meeting. Any move toward a further credit easing would be seen as a first step toward concerted foreign exchange intervention. Unless there is some comments to the contrary, Japanese officials downplaying the room for the BOJ to do anything on monetary policy — the market will basically trade in fairly narrow ranges and see what comes out this evening. The dollar was trading at 107.66/71 yen at 0715 GMT after rising to a one-week high of 108.16 yen overnight from 106.97/02 yen late in Europe on Friday. The euro was last at 112.31/41 yen after touching a one-week high of 112.76 yen, compared with 111.29/39 yen late on Friday. Sterling held foothold above chart support at \$1.62. Pound edged lower against euro, fades from Friday's all-time peak.

At around 0814 GMT, major currencies closed against USD at 107.83/107.88 JPY, 1.5370/1.5380 CHF, Euro at \$1.0434/1.0439 GBP at \$ 1.6216/1.6226.

Shipping Intelligence

CHITTAGONG PORT						
Berth position and performance of vessels as on 20.09.99						
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leave
J/1	Clover Trust	C.Clink	Pada	MBL	16/9/25/9	
J/2	Arktis Vision(24)Spl. Cargo	P.Kel	Bdshp		20/9/20/9	
J/3	Frost Venture	G P.said	Rainbow		8/9/23/9	
J/4	San Sebastian	Sugar(G)	Sant	Seacom	8/9/24/9	
J/5	Nikolay Malakhov	G. P. Land	MSA		10/9/24/9	
J/6	Cardhu	G	Sing	Everett	3/9/21/9	
J/7	Teacum Sea	Wheat(G)	P.Wasim	Ancient	16/9/22/9	
J/8	Revenge	G	Mumb	Sunshine	3/8/21/9	
J/9	Banglar Gourab	Rice(P)/G	Kochi	BSC	12/9/21/9	
J/10	KenZui	Wheat(P)	Bris	RSA	22/8/23/9	
J/11	Bulk Emerald	R.Seed	Fran	MSA	3/9/26/9	
J/12	Eliza	Col	Baridhi	17/9/21/9		
J/13	Bunga Mas Lapan	Cont	P.Kel	EOSL	18/9/22/9	
CCT/1	Banglar Shikha	Cont	Sing	BSC	20/9/23/9	
CCT/2	Qc Pinal	Cont	Sing	QCSL	17/9/20/9	
CCT/3	Kota Naga	Cont	Sing	PIL	17/9/20/9	
CCJ	Paulina	C.Clin	Pada	AMBL	25/8/27/9	
GSJ	Al Bauraq	Cement	Pada	Uniship	15/9/22/9	
TSP	Norbuk Sraya	R.Phos	Hamr	Seacom	4/9/26/9	
RM/4	Pranedyta Dwitya	F.Oil	Sing	CTPL	18/9/21/9	
RM/6	Duke	Hsd/m	Sing	ECSL	18/9/22/9	
DOJ	Banglar Jyoti	C.Oil	-	BSC	R/A/21/9	
DD	Banga Birol	Repair	Sing	Bdshp	13/9/30/9	
DDJ/1	Banglar Mookh	Repair	-	BSC	R/A/22/9	
RM/8	Banglar Maya	Repair	-	BSC	R/A/25/9	
RM/9	Phaethon	Repair	Durb	OWSL	10/6/30/9	

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L. Port	Local agent	Cargo	Loading port
Ultima (cont)12/9	20/9	Sing	QCSL	Cont	Mgl
Ocean Wave	20/9	-	Apex	Cement	-
Ocean pride	20/9	-	Apex	C.Clink	-
Shuna An	20/9	Sing	RML	GI	-
Handy Esperance	20/9	Bus	Prog	GI	-
Ibn Bassam	20/9	Tampa	Litmond	GTSP	-
Kota Cahaya	21/9	Sing	PIL	Cont	Sing
Bunga Mas Lima	21/9	P.Kel	EOSL	Cont	Sing
Banga biral	21/9	Sing	Bdshp	Cont	Sing
Joy World(48)12/9	21/9	-	SSS	GI(SI, Coll)	-
Millennium Hawk	22/9	P.said	Ancient	Wheat(G)	-
Tiger River	22/9	Sing	NOL	Cont	Sing
Kuanyin	22/9	P.KemLitmond	-	Wheat(P)	-
Qc Mallard (Cont) 12/9	23/9	Sing	QCSL	Cont	Sing
Oriental Hero	23/9	-	Everett	GI	-
Oriente Rose	23/9	-	Everett	GI	-
San Bruno (Roro)24/30/8	23/9	P.Kel	JF	Vehi	-
Xpress Resolve(cont)16/9	28/9	Sing	RSL	Cont	Sing
Saigon-2	23/9	Saigon	Royal	GI(malz)	-
Thor Star	24/9	Wall	Agnelic	Wht(PGI)	-
Mary Nour	24/9	Mal	BSL	Cement	-
Banglar Moni(cont) 9/9	24/9	Sing	BSC	Cont	Sing
Achieve(cont)16/9	24/9	Sing	RSL	Cont	Sing
Banglar Kallu (Cont) 9/9	24/9	Mumb	BSC	Cont	-
Xpress Resolve (Cont) 16/9	25/9	Sing	RSL	Cont	Sing
Banglar Robi (Cont) 14/9	25/9	Sing	BSC	Cont	Sing
Golden Gate	25/9	Houst	LAMS	Wheat(G)	-
Bunga Mas Enam (Cont) 19/9	27/9	P.Kel	EOSL	Cont	Sing
Xpress Padma	28/9	Sing	RSL	Cont	Sing
Confidence(Cont) 20/8	30/9	Sing	RSL	Cont	Sing
Teresa Everett(48) 9/9	28/9	-	Everett	GI	-
Karunia Pacific	28/9	Pada	SMSL	Cement	-
Martina	29/9	Mong	SMSL	Survey	-
Purpose	29/9	-	-	-	-
Kota Baerjaya (cont) 19/9	29/9	Sing	Pil(BD)	Cont	Sing
Da Fa (Cont)7/9	6/10	Sing	RSL	Cont	Sing
Qc Teal (Cont) 19/9	30/9	Sing	QCSL	Cotn	Sing

Tanker due:					
Nil					
Vessels at Kutubdia					
Name of vessels	Cargo	Last Port	Local agent	Date of arrival	
Energy Explorer-IV	-	Pana	BBAL	5/4	
Ismaya	-	Deliz	BBAL	17/8	
Seabulk Eagle	-	Pana	IBS	R/A(3/9)	
Seabulk Command	-	-	IBS	R/A(12/9)	
Romina-g	C.Oil	Rast	ASTA	16/9	

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

Australia to slash co, capital gains tax

CANBERRA, Sept 20: Australia is set to slash company tax and introduce big cuts to capital gains tax when the government releases its long-awaited overhaul of business taxation on Tuesday, reports Reuters.

Treasurer Peter Costello is expected to announce a staged reduction of company tax to 30 per cent from 36 per cent, cuts to accelerated depreciation, and big falls in capital gains tax. Tough new anti-avoidance measures and major changes to imputation are also expected, along with the announcement of a new, seven-member board to oversee the Australian Tax Office.

"In the long run, all of the tax changes may add a further half a per cent to gross domestic product," Bruce Hockman, senior economist at Deutsche Bank in Sydney, told Reuters on Monday.

The ruling Liberal-national coalition has since August 2 been considering an 800-page review of business taxation published following an inquiry headed by businessman John Ralph.

The report, which is aimed at making Australia's tax system more internationally competitive, has not been made public. The government has vowed

to keep its reforms revenue-neutral, meaning the changes will not affect the overall budget position.

The key plank of the plan is the cut in the company tax rate, considered too high and a hindrance to the government's push to establish Sydney as a major regional financial centre.

Established finance capitals like Hong Kong and Singapore levy corporate tax at 16.5 per cent and 26 per cent respectively.

To offset shortfalls in revenue from lower taxes, the government is expected to tighten accelerated depreciation rules, which allow companies to speed up the rate they depreciate assets, probably in stages.

Such a move would hurt capital intensive industries such as mining and manufacturing but be a boon for rapidly growing service industries such as telecommunications, finance and tourism. Costello on Monday said the new tax regime would not favour individual industries. "We have to look at business tax reform, like all tax reform, from an overall perspective," Costello told Parliament. "Reforming the business taxation system should be focused on national benefits not individual industries."

'Indonesia can't make bank scam audit public'

JAKARTA, Sept 20: Indonesia's chief economics minister said today he had written to the IMF to say banking secrecy laws made it impossible to fulfil donor demands that an independent audit of a bank scandal be made public, says Reuters.

Ginandjar Kartasasmita said loans from the International Monetary Fund and World Bank had only been delayed, rather than suspended, over the issue.

New chairman, vice chairman of Dhaka Bank



Abdul Hai Sarker



ATM Hayatuzzaman Khan

The Fourth Annual General Meeting of Dhaka Bank Limited has re-elected Abdul Hai Sarker and ATM Hayatuzzaman Khan Chairman and Vice Chairman of the bank respectively, says a press release.

A renowned industrialist and an established businessman, Abdul Hai Sarker is the Managing Director of Shohagpur Textile Mills Ltd. He is also the Chairman and Managing Director of M/s Karim Textiles Ltd and M/s Purbani Fabrics Ltd.

Renowned social worker, industrialist and business personality, ATM Hayatuzzaman Khan is the Director of M/s Brothers Ltd, M/s Brothers Fashion Ltd and M/s Brothers Knitwears Ltd.

The two are the founder directors of Dhaka Bank Limited.

South Korea okays \$34m investment in DPRK

SEOUL, Sept 20: South Korea today approved a 34-million-dollar investment plan to build a stadium in rival North Korea following a US-North Korea accord on improving ties, says AFP.

The investment was Seoul's first reconciliatory gesture towards the Stalinist North after Washington eased sanctions against Pyongyang last week in a return for an end to the North's missile programme.

South Korea's giant conglomerate Hyundai Group will build the sports facility in Pyongyang, Seoul's Unification Ministry said in a statement. "The government hopes this project will help activate inter-Korean exchanges in sports and build trust and reconciliation between South and North (Korea)," it said.

To finance the inter-Korean construction of the 12,335-seat stadium, Hyundai will invest 34.2 million dollars, while North Korea will invest 23.3 million dollars, it said.

The ministry said the gymnasium to be used for various sporting events — basketball, volleyball, handball, table tennis and wrestling — will be completed by 2002.

The two Koreas, still technically at war following their 1950-53 conflict, will hold friendly basketball matches in Pyongyang September 28-29 to celebrate a ground-breaking ceremony to build the stadium, Hyundai officials said.

Hyundai Group founder Chung Ju-Yung will visit Pyongyang to attend the ceremony, they said.

Hyundai and North Korea have agreed to regularize friendly sporting events in a broader scope with the next round of the inter-Korean friendly basketball matches to be held in Seoul next March. The approval came one day after Hwang Won-Tak, a top security advisor to South Korean President Kim Dae-Jung, vowed to help the famine-stricken North improve ties with the outside world.

"From now on, the South will support the North's bid to improve diplomatic ties with Western countries," Hwang said. Washington last week eased 50-year-old US sanctions against North Korea in exchange for Pyongyang's pledge to end long-range missile tests at bilateral talks in Berlin earlier this month.



This 21 July 1999 file picture shows Japan's computer venture SOTEC's desktop personal computer "e-one" at its showroom in Yokohama, suburban Tokyo. The Tokyo District Court ordered a low-cost Sotec to stop producing and selling the "e-one" computers resembling the design of Apple's iMac computers yesterday. — AFP photo

Reluctant BOJ may ease its policy amid yen row