

IMF announces new debt relief, reforms plans

WASHINGTON, Sept 27: The International Monetary Fund, under mounting pressure in the wake of a Russian corruption scandal, has put in place a major new debt relief initiative and adopted a number of internal reforms aimed at improving the agency's management of future crises, reports AP.

All the activity Sunday around the annual meetings of the 182-nation IMF and the World Bank was aimed at damping criticism the two giant lending agencies failed to coordinate programmes and badly mismanaged the recent global financial turmoil.

IMF and World Bank officials, at the first-ever joint meeting of the two agencies' policy setting committees, pledged to support "deeper, broader and faster debt relief" for the world's poorest countries.

The new coordinated effort will provide debt relief to 36 of the world's poorest nations. It is intended to ease up to \$100 billion in debt, allowing the countries to commit scarce resources to poverty, health and education programmes.

British Chancellor of the Exchequer Gordon Brown, the chairman of the IMF's policy setting Interim Committee, said the group had approved a recommendation to revalue 14 million ounces of the IMF's gold reserves to market prices to support the debt effort. He said a number of countries had also stepped forward Sunday with new pledges of financial support.

"Let it be said of this historic meeting that those to whom the world's greatest wealth has been given are joined with those burdened down by the world's greatest debt," Brown said at a crowded news conference at the end of Sunday's meeting.

The IMF was forced to drop plans to sell gold on the open markets because of strong opposition from the mining industry, which feared the sales would further depress world gold prices.

In a further effort to bolster market prices, central bank officials from 15 European nations issued a joint pledge Sunday agreeing to limit their own future gold sales to levels already announced.

On the reform front, the IMF approved adoption of a new code of good practices the agency will use to monitor countries' efforts to provide markets with accurate and timely information on key economic statistics such as their financial reserves.

IMF policy-makers also promised to accelerate work on other reform proposals. Among those are proposals pushed by the United States for the IMF to tighten audit controls over its multibillion dollar loan programme.

President Bill Clinton hopes these reforms will deflect the heavy criticism from congressional Republicans since reports last month of a wide-ranging investigation into allegations of massive laundering of Russian money through ac-

counts at the Bank of New York.

"A changed IMF is needed for the changed world that we now have. We have made a good start in many areas, but much more needs to be done," US Treasury Secretary Lawrence Summers told IMF policy-makers Sunday.

Viktor Gerashchenko, head of the Russian central bank, said that while he would comply with the added disclosure requirements to the IMF, the data should not be released publicly. "It's like a health check between a doctor and a patient," he said.

IMF officials have said that no evidence has been uncovered so far that IMF money was part of the billions being investigated in the Bank of New York case.

The expanded debt relief, to be financed in part by revaluing 14 million ounces of the IMF's gold reserves at market prices, would provide an extra 50 billion dollars in debt relief on top of 30 million dollars pledged in the mid-1990s under a programme known as the Highly Indebted Poor Countries Initiative.

Because of stringent performance standards, only four countries have received any relief under the programme — Uganda, Bolivia, Guyana and Mozambique.

The new programme eases some requirements which, Brown said, should allow three-fourths of the eligible countries, many in sub-Saharan Africa, into the programme by the end of next year.

Debt relief advocates, who enlisted the support of a diverse group of religious leaders, including Pope John Paul II, generally praised Sunday's development.

"This agreement will translate into more kids in school, better health care and a chance for some of the poorest countries in the world to participate in the world economy," said Seth Angott, a Washington spokesman for Oxfam International, a private aid agency.

Obstacles still remain. For example, the debt relief will require substantial pledges from wealthy countries.

In addition to helping fund the \$80 billion in debt relief covered by the HIPC initiative, individual nations will be expected to cancel another \$20 billion in their overseas development loans.

Clinton last week asked Congress for nearly \$1 billion as the US share of this programme over the next four years. But France and Japan are balking at a proposed formula for their share of the debt relief. They contend it imposes too great a burden because they have extended far more loans to poor countries over the years.

On that front, German Finance Minister Hans Eichel on Sunday urged accelerated efforts by the IMF and World Bank to help countries strengthen their financial sectors. Many of the countries hurt by the Asian crisis were found to have weak bank regulation.



An electronic board shows Taiwan's stock Exchange price weighted index at 7,759.93, plunging 212.12 points at closing in Taipei yesterday on the first trading day after Taiwan was hit by its largest earthquake this century. Investors rushed to sell their shares for cash in order to restore damages caused by the devastating tremor occurred early 21 September measuring 7.6 on Richter scale. — AFP photo

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies					
Currency	Selling TT & 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	81.9053	81.9712	80.6974	80.4307	80.3129
Deutsche Mark	26.9394	26.9611	25.9514	25.8499	25.8120
Swiss Franc	32.5139	32.5400	32.0260	31.9201	31.8734
Japanese Yen	0.4767	0.4771	0.4682	0.4666	0.4659
Dutch Guilder	23.9092	23.9284	23.0323	22.9422	22.9086
Danish Krona	7.0369	7.0426	6.8787	6.8559	6.8459
Australian \$	32.9014	32.9278	31.6191	31.5146	31.4684
Belgian Franc	1.3061	1.3072	1.2582	1.2533	1.2515
CANADIAN \$	34.1552	34.1827	33.1796	33.0690	33.0205
French Franc	8.0324	8.0385	7.7378	7.7075	7.6952
Hong Kong \$	6.4156	6.4207	6.3373	6.3164	6.3071
Italian Lira	0.0272	0.0272	0.0262	0.0261	0.0261
Norway Kroner	6.3593	6.3645	6.2549	6.2342	6.2251
Singapore \$	29.5221	29.5459	28.5830	28.4886	28.4468
Saudi Rial	13.2979	13.3086	13.1149	13.0716	13.0524
UAE Dirham	13.5770	13.5880	13.3909	13.3466	13.3271
Swedish Krona	6.0425	6.0474	5.9673	5.9476	5.9389
Qatar Rial	13.7035	13.7145	13.5105	13.4658	13.4461
Kuwaiti Dinar	168.691	169.065	157.204	156.706	156.520
Thai Baht	1.2232	1.2242	1.2093	1.2053	1.2053
Euro	52.6889	52.7313	50.7565	50.5580	50.4839

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	12 Months
49.0850	49.7300	USD	5.3800	5.5100	5.9265	6.0075
80.3129	81.9053	GBP	5.3125	5.4894	5.9416	6.2650
Cash/TC	Cash/TC	Euro	2.7888	2.6853	3.1063	3.2668

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesia Rupiah	Korean Won
43.570/43.575	81.790/51.520	40.785/40.815	3.7995/3.8005	8420/8471.0	1210.7/1211.0

Amex Notes on Monday's market

The interbank USD/BDT market remained stable, as USD liquidity of the market is still high. The USD/BDT rates ranged in the 49.48-49.50 level for the day. Market support at 49.44 level is still holding.

Market liquidity is keeping the call money market stable. The call rates went down fractionally and also came down in the 5.75-6.25 per cent level.

The dollar jumped to around 106 yen in early Asian trading in a knee-jerk reaction, but the market eventually reverted to a wait-and-see stance, testing the resolve of Japan and its G7 partners to curb the yen's strength. In addition Ecuador's declaration of a partial default on its Brady bonds also weighed on the dollar. If there's another debt crisis in Latin America, the dollar will inevitably come under pressure against a broad range of currencies, not just the yen. European Central Bank President Wim Duisenberg said that hefty money growth made the euro zone vigilant about future monetary policy and that the ECB watched currency rates but an exchange-rate targeting policy would make no sense.

The dollar was back to square one in Europe on Monday after promptly giving back overnight gains against the yen as optimism over imminent Yen-taming action by Group of Seven authorities turned to caution. Although a statement the G7 leaders made after their weekend meeting expressed their "concern" about the effect of a higher yen on the Japanese economy and the world economy and also said Japan had pledged to implement stimulus measures until domestic demand-led growth is solidly in place and, in the context of their zero interest rate policy, to provide ample liquidity until deflationary concerns are dispelled, the market remained skeptical about imminent action. While the market is certainly wary of pushing dollar yen lower at the moment, it would want to see a concrete evidence of a change in Japanese monetary policy.

Otherwise, there will be every incentive to resume the yen buying seen previously. Market makers said the statement made by the finance minister and central bank governors of the United States, Japan, Germany, Britain, France, Italy and Canada after their meeting on Saturday was unusual in that it referred to a specific currency.

At around 0801 GMT the exchange rates of major currencies against USD were GBP/USD 1.6420/6430, USD/CHF 1.5338/5352, USD/JPY 104.09/104.16, EUR/USD 1.0438/0443.



Officials of GrameenPhone Limited and Securex Pvt. Limited sign agreement in the city recently. — GrameenPhone photo

Securex strikes deal with GrameenPhone

Securex will be provided with GP mobile telephones for its operations in the country.

An agreement to this effect was signed recently between GrameenPhone Limited and Securex Pvt Limited.

Under the agreement Securex will use the mobile phones to monitor its cash-in-transit operations, communicate with its inspectors and supervisors on field duty and to maintain contact with its zonal offices.

It will also use the GP mobile phones to maintain contact between its Dhaka and Chittagong offices.

M A Mamun Hashmee of the Corporate Sales Section of Grameen Phone and Arsalan Quddus, Securex General Manager (Sales and Marketing), inked the accord on behalf of their respective organisations.

Senior officials of both the organisations were also present on the occasion.

Taiwan stocks finally feel quake jolts

TAIPEI, Sept 27: The stock market finally felt the jolts of a killer quake when it reopened Monday, with Taiwan's world-leading computer chip companies taking the biggest beating as they struggled to restore full production, reports AP.

Blue chips tumbled by almost 2.7 per cent in the first trading session since the Taipei Stock Exchange was closed last week by the tremor that rocked Taiwan and threatens its export-based economy.

But with Taiwan needing to rebuild many wrecked towns and cities, investors bought into companies that will be selling the necessary materials.

Cement makers rallied by 6.8 per cent, glass companies rose by 6.4 per cent and steel manufacturers were up 5.9 per cent.

Investors globally are most concerned about the impact on Taiwan's vital semiconductor industry. Manufacturers here make 10 per cent of the world's chips and about 80 per cent of the "motherboards" used to run personal computers.

The high-tech heavyweights went limit down on Monday. Already, a week's worth of production has been lost, which could lead to supply glitches and higher prices in the global computer industry.

Big losers included the island's No 1 chip maker, Taiwan Semiconductor Manufacturing Co., and Taiwan's top personal computer maker, Acer Inc, both falling as far as they could.

The semiconductor companies did not suffer much physical damage at their plants, located mostly in northern Taiwan far away from the quake's epicenter in the center of the island.

BOJ monetary policy seen intact but risk looms

TOKYO, Sept 27: The Bank of Japan did not signal any drastic, imminent change in its monetary policy at the weekend group of Seven meeting, senior analysts and traders said today, reports Reuters.

But they said chances remain that the central bank could be cornered into a policy of printing more money to spur the economy, a move which some analysts fear could undermine market confidence in the BOJ.

BOJ signals no policy change

The BOJ has so far managed an easy policy by driving interest rates as low as possible to spur demand.

"I don't think there were any comments (during the G7 meeting) hinting at (an imminent) change in monetary policy," said Naka Matsuzawa, chief investment strategist at Nomura Securities.

Some traders said this was confirmed by the BOJ's market operations on Monday, when it left the money market with a surplus of one trillion yen (\$9.6 billion), unchanged from Friday.

If it had wanted to signal a change in policy, the BOJ could have doubled the surplus to two trillion yen.

Judging from its operation stance today, the BOJ has not given up implementing easy credit through low interest rates, but not via the volume of money itself," said Masayuki Ebra, associate director at Barclays Bank Plc.

Some politicians, along with a number of economists and the International Monetary Fund, argue that the BOJ needs to print more money and keep a lid on interest rates to support Japan's economic recovery and possibly to help depreciate the yen.

The only thing the BOJ seems prepared to do in the near term is offer long-term money in the market to fend off upward pressure on long-term interest rates, money traders said.

The central bank could adjust its operations in the longer end of the market to generate more liquidity without changing its overall zero interest rate policy.

BOJ Governor Masaru Hayami said on Sunday: "We are exploring how the bank could improve money market operations so as to ensure the further permeation of liquidity in the context of zero interest rate policy."

Technical steps open to the BOJ include outright purchases of Treasury bills from the market.

All these extra steps can be done under the current zero rate policy without any policy change.



Picture shows the participants of the Top Cargo Agents' Educational Tour '99 to Pattaya, and Bangkok arranged by Thai Airways International — Dhaka prior to their departure at the Zia International Airport with Md Ataulah (extreme right), Cargo Manager — Bangladesh, and Aqeelur Rahman (extreme left), Traffic Officer. — Thai Airways photo

G7 statement on yen fails to inspire Asian markets

TOKYO, Sept 27: Concern by industrialised nations at the surging yen failed to convince financial markets today, reports Reuters.

Most Asian markets retreated as Tokyo stocks drifted in a narrow range and the yen recovered some ground after Group of Seven finance minister and central bankers over the weekend singled out the high-flying yen as a source of worry for the global economy.

The G7 statement — combined with speculation that Japan had agreed to ease monetary policy further in return for cooperation on curbing the yen — had initially supported the dollar and Japanese in stocks in early trade.

But early enthusiasm melted into a scepticism as the market took a hard look at the statement and words by Japan's central bank chief, and found little reason to believe policy would change dramatically in the short term.

Tokyo's benchmark Nikkei index added a marginal 0.3 per cent to 16,925 by 0412 GMT.

while the dollar hovered at 104.85 yen, not far from Friday's New York close of around 104.20 and down from 106 yen hit near the opening of Tokyo trade on Monday.

Tokyo's market has been sliding on worries that a 16 per cent rise in the yen against the dollar since May would hit the earnings of big Japanese manufacturers.

The failure of the yen and the Nikkei to swing around dramatically after the weekend meeting of G7 finance chiefs and bankers in Washington weighed on markets across Asia.

Hong Kong's Hang Seng index tumbled 1.49 per cent to 12,837, Singapore's Straits Times index lost 0.63 per cent to 2,005.2 and Kuala Lumpur's composite index shed 1.7 per cent to 682.5 to a 6-week low.

Strength in gold prices — brought on by a statement on Sunday by Europe's central bank limiting the amount of gold sales by 15 European central banks — supported Australian stocks.

The blue-chip All Ordinaries index was up 0.56 per cent at 2,909.7. New Zealand stocks, meanwhile, tumbled 1.34 per cent following an unexpected dip in gross domestic product growth in the April-June quarter.

In Tokyo, the focus was on the Bank of Japan (BOJ) which has been under intense pressure from Japan's own Finance Ministry, world financial markets and other industrialised nations to take firm steps to ease policy and tame the yen.

In Washington on Sunday, BOJ Governor Masaru Hayami said the bank would continue to take into account currency movements as a key factor in monetary policy.

Traders initially took that as a sign the BOJ was willing to consider further credit easing steps to stifle the yen and ensure a recovery in the world's second-largest economy kept on track.

Hayami's comments followed a rare reference to the yen in a G7 statement on Saturday.

Minister quits over restructuring rifts Ecuador to default on part of foreign debt payment

QUITO, Ecuador, Sept 27: President Jamil Mahuad announced Sunday night that Ecuador will default on payment of millions of dollars of US backed debt, says AP.

Last month, Ecuador chose to delay its \$96-million interest payment on its Brady bond debt for 30 days, it had until Tuesday to make the payment or officially become the first country ever to default on its Brady bond debt.

In a nationally televised address late Sunday, Mahuad said his nation would only pay interest on the bonds that are not guaranteed by the US Treasury Department.

He said Ecuador would pay "a little less than half," of the \$96-million interest payment.

Brady bonds, named for former US Treasury Secretary Nicholas Brady, allowed 18 countries over the last 10 years to repay their debt by repackaging defaulted loans into new bonds, partly backed by US

Treasury bonds.

Mahuad has grappled with a domestic banking crisis, devastating damage from the El Nino weather phenomenon, and sinking world prices of oil.

International lenders and creditors have been fixated on Ecuador's economy. Although the country does not rank among the region's largest, some fear a default on the once-sacrosanct Brady bonds could spark a tumble in emerging bond markets.

On Sunday, Mahuad asked international lenders and creditors for "flexibility." Ecuador "cannot pay its foreign debt on the terms that are currently presented," he said.

Ecuador had been working on proposals to restructure its entire Brady bond debt of \$6 billion, and was preparing to present strategies for foreign debt restructuring this week during the annual International Monetary Fund meeting in Washing-

ton.

Mahuad also said local press reports that Economy Minister Guillermo Lasso had resigned Friday over disagreements about the repayment decision were true.

Ecuador has been negotiating with the International Monetary Fund on a proposed \$400 million loan to help the country restructure its banking system.

But the deal hinges on resolving the Brady bond debt problem, as well as taking measures to close Ecuador's budget gap.

The nation's overall public debt is about \$13 billion.

IMF deputy managing director, Stanley Fischer, said Saturday that Ecuador could receive "substantial amounts" of IMF financing if the nation moves to resolve its financial problems and works directly with its creditors.

Shipping Intelligence

Chittagong Port						
Berth position and performance of vessels as on 27.9.99.						
Berth No	Name of Vessels	Cargo	I. Port	Local Agent	Date of Arrival	Leaving
J/1	Clover Trust	C Clink (Cont'd)	Pada	MBL	16/9	28/9
J/2	Sarah-1	Yang	SMSL	19/9	30/9	
J/3	Banglar Kallol	Q	Mumb	BSC	25/9	2/10
J/4	San Sebastian	Sugar (G)	Q	Sant	Seacom	8/9 27/9
J/5	Nikolay Malakhov	Q	P Land	MSA	10/9	27/9
J/6	Min Jiang	Q	Sing	BDSHIP	18/9	30/9
J/7	Shun An	Q	Sing	RMI	20/9	29/9
J/8	Well Pescadores	Wheat (P)	Sing	Rainbow	13/9	5/10
J/9	Neptune Akbar	Wheat (P)	Sing	FSL	15/9	2/10
J/11	Bulk Emerald	R Seed	Fran	MSA	3/9	1/10
J/12	Spar Opal	Wheat (G)	Can	Ancient	18/9	29/9
J/13	Banglar Urmi	Wheat (G)		BSC	R/A	1/10
CCT/2	Xpress Resolve	Cont	Sing	RSL	25/9	29/9
CCT/3	Achiever	Cont	Sing	RSL	24/9	28/9
RM/15	Revenge	Idle	Mumb	Sunshine	3/8	2/10
CGJ	Faulina	C Clink	Pada	AMBL	25/8	30/9
CSJ	Al Bauraq	Cement	Pada	Uniship	15/9	2/10
TSB	Arhika Seraya	R Phos	Hamr	Seacom	4/9	30/9
RM/4	Andika Anyandhi	CPO/RW/CPA	Mala	TSL	25/9	28/9
RM/5	Kuanyin	Wheat (P)	Sing	Litmond	21/9	2/10
RM/6	Acushnet	HSD/Jet A-1	Sing	ECSL	23/9	28/9
DOJ	Banglar Jyoti	C Oil		BSC	R/A	30/9
DD	Banga Biroi	Repair	Sing	BDSHIP	13/9	2/10
DDJ/1	Banglar Gourab	Idle	Kochi	BSC	12/9	27/9
RM/8	Banglar Maya	Repair		BSC	R/A	30/9
RM/9	Phaethon	Repair	Durb	OWSL	10/6	5/10
CUPLJ	Mary Nour	Cement	Mala	BLSL	25/9	5/10

Vessels due at outer anchorage					
Name of Vessels	Date of Arrival	I. Port	Local Agent	Cargo	Loading Port
Jaami (48)22/9	28/9	Yang	Royal	GI (Log)	-
Ocean Wave	27/9		Apex	Cement	Cont
Jaya Mats (Cont) 20/9	27/9	CEO	Baridhi	Cont	Col
Banglar Moni (Cont) 9/9	27/9	Sing	BSC	Cont	Sing
Banglar Robi (Cont) 14/9	27/9	Sing	BSC	Cont	Sing
Confidence (Cont) 30/8	28/9	Sing	RSL	Cont	Sing
Bunga Mas Enam (Cont) 19/9	29/9	P Kel	EOSL	Cont	Sing
Peleas K	29/9		Uniship	Cement	-
Kola Bangla (Cont) 19/9	28/9	Sing	PH (BD)	Cont	Sing
Saturn	28/9	Sing	UMTL	Scraping	-
Ocean Pride	29/9		Apex	C Clink	-
Oriental Rose (48)9/9	29/9	Cal	Everett	GI	-
Martina	1/10	Mong	SMSL	Survey Purpose	-
Ken Koku	29/9	Pak	Delmure	C Clink	-
Teresa Everett (48)9/9	30/9		Everett	GI	-
Aya-3	30/9		Seacom	GI (Acid Oil)	-
Rainbow Joy (48)20/9	2/10	Pera	ASA	GI (St. Coll)	-
QC Teal (Cont) 19/9	30/9	P Kel	QCSL	Cont	Sing
Eliza (Cont) 22/9	30/9		Baidhi	Cont	Col
Mariana	30/9		Uniship	GI (uap)	-
Xpress Padma (Cont) 16/9	1/10	Sing	RSL	Cont	Sing
Kota Singa (Cont) 20/9	30/9	Sing	PH (BD)	Cont	Sing
Kota Nagal (Cont) 21/9	1/10	Sing	PH (BD)	Cont	Sing
Ultima (Cont) 23/9	4/10	Sing	QCSL	Cont	Sing
QC Pintal (Cont) 21/9	1/10	Sing	QCSL	Cont	Sing
Bunga Mas Lagan (Cont) 22/9	1/10	P Kel	EOSL	Cont	Sing

Tanker Due					
Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	
Ervillea	26/9	Sing	ECSL	HSD/SKO	-
Salamis	28/9		TSL	CDSCO	-
IHM	1/10		Atlantic	Bitumen In Bulk	-

Vessels at Kutubdia					
Name of Vessels	Cargo	Last Port	Local Agent		