

ASEM meeting in Berlin this weekend

EU, Asia ministers may seek to intensify economic co-op

BERLIN, Oct 7: Economy ministers and experts from the European Union and east Asian countries will meet for two days under German auspices this weekend to help guide the Asian economies out of recession and strengthen economic cooperation and trade, reports AFP.

Some 500 participants from the 15 EU countries and Brunei, China, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Thailand and Vietnam are expected for this second Asia Europe Meeting (ASEM), the German Economy and Technology Ministry said.

The Berlin talks will be aimed at further economic reforms of the Asian economy and the search for markets there, and the prevention of a fall back into recession and con-

gious economic crisis after the near collapses of 1997-8, German government sources indicated.

The Asian countries want financial help and advice from the Europeans, while the western representatives will seek security for their investments in the region.

Central to the meeting will be how to intensify Asia-Europe economic cooperation in the light of signs of a new economic upturn in east Asia, the German Ministry said.

Discussions will be held on the basis of a report from a recently-ended meeting in Seoul of the Asia-Europe Business Forum on how cooperation between the two continents can be strengthened at the level of economic ministries and between

business leaders, a ministry document said.

The ministers will examine the infrastructure sector, and in particular how private capital can be employed with regard to infrastructure projects, it said.

The second ASEM is also expected to deal with preparations for the World Trade Organization ministerial conference, scheduled for Seattle at the end of November and beginning of December, and the opening of a new round of trade liberalisation negotiations.

ASEM member governments are all in favour of universal membership of the WTO, and the ministers are accordingly expected to discuss in Berlin the prospect of membership in the near future for China and Vietnam, the German document

said. China's demand to be admitted is expected to receive at least a boost in Berlin.

However, German government sources warned that the world's most populous country could not hope to win a promise of support for special conditions for membership of the WTO.

The Berlin talks will be led by the German economy minister Werner Mueller, a technocrat and former businessman without political affiliation.

The ASEM ministerial meeting follows the first one held in Mukohari near Tokyo on September 27-28, 1997, but its roots go back to a summit meeting between the European Union states and east Asian countries in March 1996 in Bangkok.



Chinese People's Liberation Army soldiers look at a model British Airways airliner on display at the China Aviation Expo 99 in Beijing yesterday. Various international airlines and aircraft manufacturers are participating in the week-long exhibition with the hopes of capturing a larger slice of the Chinese domestic aviation market. — AFP photo

Innovation dearth biggest barrier to Europe's rise

BRUSSELS, Oct 7: A lack of innovation is the biggest barrier preventing Europe from dominating the world economy, a leading commentator on global economic development said yesterday, reports Reuters.

"European minds are still working properly," Professor Manfred Perlitz of the University of Mannheim in Germany told Reuters. "As far as inventions and patent applications are concerned, Europe leads the world."

"However, if you look at what Europeans are doing with this inventiveness, it is a bit frustrating," he said after a forum of the European Foundation for Quality Management in Brussels.

Europeans were too concentrated on technical issues, in contrast to the United States and Asia, and not focused enough on innovation and marketing their inventions.

Cultural differences played a role in this, but also over-regulation by governments not in tune with market needs.

The economic success of Europe depends on to what extent governments leave European companies free to develop their advantages in competitive situations," he said.

Washington mulls Moscow request 'US food aid must help Russian farmers'

WASHINGTON, Oct 6: The United States yesterday said it is seriously considering a request from Moscow for additional food aid but said this time any assistance must benefit struggling Russian farmers, says Reuters.

The United States is now in the midst of shipping more than 3 million metric tons of food to Russia under a pact reached late last year. About half of the food was donated and the rest bought with US low-interest, long-term loans.

The food is then sold in Russia, with most of the proceeds deposited into the depleted government pension fund.

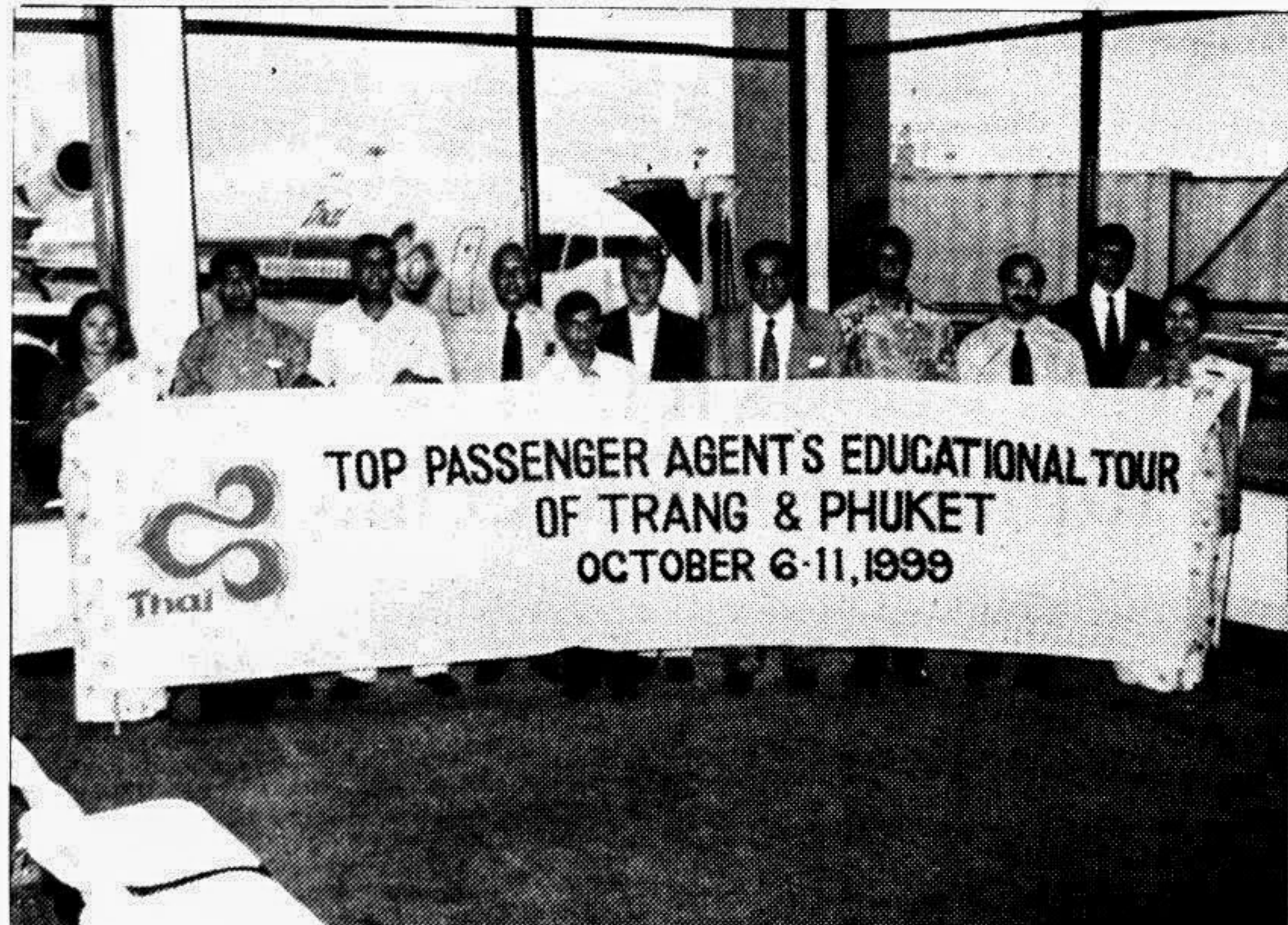
The \$1 billion programme was a welcome boost for US

farmers, who are earning little for their crops due to huge worldwide supplies and declining export demand.

But critics say that if the United States wants to provide more food to Russia, this time the aid should help Russian farmers. They are harvesting another dismal crop due to bad weather, lack of machinery and outdated methods.

"We have to be careful not to reduce incentives for Russian farmers to produce food," US Agriculture Secretary Dan Glickman told a House Agriculture Committee hearing.

Moscow wants an additional 5 million metric tons of grains and planting seeds in the form of a US donation, not loans.



Participants of the Thai Airways International-Dhaka's Top Passenger Agents' Educational Tour 1999 to Trang and Phuket, Thailand are seen on the eve of their departure at the Zia International Airport. Thai Airways General Manager, Bangladesh Pratin Cherdehaikul, District Sales Manager Md. Hasanuzzaman, Station Manager Zahir Karim, Passenger Handling Officer Dilshad Begum and Hassina Yasmin are also seen in the picture. — Thai Airways photo

Albright condemns Congress foreign spending cut

STANFORD, Calif., Oct 7: US Secretary of State Madeleine Albright yesterday condemned a vote by Congress to cut US foreign aid, saying the official penny-pinching amounted to nothing less than a "clear and present danger to American interests," says Reuters.

In a speech to the Hoover Institution at Stanford University, Albright also repeated President Bill Clinton's warning that failure to endorse the global nuclear test ban treaty would scuttle US efforts to rein in nuclear proliferation around the globe.

Albright had harsh words for Republican-led efforts to cut the State Department budget — noting that America's foreign

programmes account for only one penny of each dollar the federal government spends.

"But that penny can spell the difference between hard times and good times for our people, war and peace for our country, less and more freedom in our world," Albright said.

Earlier on Wednesday, the Senate followed the House of Representatives in voting to slash the administration's request for foreign spending by \$2 billion.

The House voted on Tuesday to pass a funding bill that calls for \$12.62 billion in foreign spending for the new fiscal year that started Oct 1 — compared to nearly \$270 billion in defence spending being consid-

ered by Congress out of an overall federal budget of about \$1.6 trillion.

"The results of this legislation, if it were to become law, would be to cut foreign aid resources below their previously inadequate levels," Albright said.

"And this would create a clear and present danger to American interests, which is why I have recommended — and the President has said he would — veto the bill as soon as it reaches his desk."

Albright said that, while the US economy continued to steam ahead, serious ongoing threats to world stability required more overseas spending.

Oil prices fall as OPEC discipline slackens

LONDON, Oct 7: Oil prices slipped further from recent highs yesterday after a Reuters survey showed waning OPEC discipline with self-imposed output restrictions, says Reuters.

Benchmark Brent for November delivery lost ground for the third straight day to close 18 cents lower at \$22.75 a barrel, down from a brief afternoon move up to \$23.03.

The falls followed news that adherence by the Organisation of the Petroleum Exporting Countries to export limits loosened again in September as high prices drew extra supplies from core Gulf producers.

The export group raised wellhead output in September by 140,000 barrels a day to 26.68 million bpd from a revised 26.54 million in August, according to the survey of OPEC and industry officials and consultants.

"It looks like they might be starting to turn on the taps," said one dealer.

Oil prices more than doubled to a 33-month peak of \$24.30 a barrel late last month thanks to good compliance by OPEC and some non-OPEC producers with output limits imposed to rescue the market from historic lows touched earlier in the year. The curbs are aimed at

shrinking a big global surplus of stored oil that drove 1998 prices to levels that sliced billions of dollars off the incomes of oil-dependent OPEC states.

But the latest Reuters monthly survey found that OPEC output climbed 700,000 bpd in September from a low point of just below 26 million bpd in June, spurred by incremental Iraqi oil and increasing OPEC leakage.

The survey indicated that compliance by the 10 OPEC members participating in supply restrictions fell to 81 per cent in September from 83 per cent in August.



A model shows off Fuji Photo Film Co's "Princam", the world's first super-megapixel digital still camera with a built-in colour printer in Tokyo Thursday. The firm will put it on domestic market from November 20 at a price of 99,800 yen (930 dollars). — AFP photo

Bangladesh Bank
Currency Management and Accounts Deptt
Head Office, Dhaka

Tender Notice
Tender for Supply, Installation and Commissioning of Note Sorting Machine

Sealed tenders are invited from reputed manufacturers or their local agents for supply, installation and commissioning of 6(Six) note sorting machines for offices of Bangladesh Bank at different centres.

Tender schedule showing terms and conditions with specifications of the above machines will be available at the office of General Manager, Currency Management & Accounts Department, Bangladesh Bank, Head Office, Dhaka (11th floor, 2nd annexe building) on payment of Tk 750/- per set (non-refundable) up to 11th November, 1999. No tender schedule will be sold thereafter.

The tender(s) addressed to the General Manager, Currency Management & Accounts Department, Bangladesh Bank, Head Office, Dhaka shall be submitted under sealed cover by the tenderers in two separate envelopes marked "Technical Offer" and "Financial Offer" in duplicate in the tender box kept in the office chamber of General Manager, Currency Management & Accounts Department, Bangladesh Bank, Head Office, Dhaka. Offers shall be received up to 11:30 AM on 22nd November, 1999 and only the technical offer shall be opened at 12:00 noon on the same day at the same place in presence of the tenderers, if any.

Earnest money @2.5% (Two and a half) of the total quoted amount shall be submitted with the financial offer in the form of Bank Draft/Payment Order from any scheduled bank in Bangladesh favouring Bangladesh Bank, Head Office, Dhaka.

Incomplete and conditional tender and tender(s) without earnest money will not be considered.

Bangladesh Bank reserves the right to accept in full or in part or reject any or all tenders without assigning any reason whatsoever.

PR&PB-48/99-1596
dt-5/10
GD-912

Mohd Abdul Matin
General Manager

HK rates seen trending up on US hike concerns

HONG KONG, Oct 7: Hong Kong has shrugged off the US Federal Reserve's tightening directive, so far, but money market rates could rise significantly if people become convinced that another US interest rate hike is in store, says Reuters.

"Hong Kong rates will be stable until the market is sure that the US is going to raise rates," Frank Gong, currency analyst at Bank of America, said.

"Interbank rates look like they have found the bottom and the next move will be higher."

The Hong Kong dollar is pegged to the US currency, meaning rate moves in the United States can be reflected in Hong Kong rates. The Hong Kong Association of Banks (HKAB) is widely expected to leave deposit rates unchanged at 3.75 per cent at a weekly rate review this Friday.

growth momentum of the domestic economy of GDP growth of about 4.5 per cent.

"At the very least, the results suggest that slowdown in the June quarter recorded by the statistician's national accounts is only temporary, and/or a statistical blip," Oster said.

Forward orders and capacity utilisation were also up, as were stocks.

With further stock accumulation expected in the December quarter, the result appears to reflect anticipation of ongoing growth and building in the run-up to Y2K, rather than any involuntary stock build.

Among the components of the business conditions index, trading conditions rose seven points to 20, profitability also rose seven points to an index level of seven, and employment conditions rose five points to five.

Most industries reported sizeable improvements in conditions in the September quarter, with the exception of construction and small declines in retailing and financial services. Expectations for business conditions in the December quarter are for a further rise to 18 points, with increases forecast for most industries except

financial services (down 29 points) and retailing (down two).

Despite the strength in business demand, a key finding of the survey was the continuing very modest rate of increase in prices and wages," Oster said.

Total labour costs rise by 0.7 per cent in the quarter, up marginally on recent quarters but mainly reflecting seasonal influences.

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 Transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Stg	82.5220	82.5883	81.3237	81.0550	80.9363
Deutsche Mark	27.6005	27.6227	26.6200	26.5159	26.4771
Swiss Franc	33.5447	33.5717	33.0297	32.9206	32.8724
Japanese Yen	0.4643	0.4647	0.4661	0.4646	0.4539
Dutch Guilder	24.4959	24.5156	23.6257	23.5333	23.4989
Danish Krona	7.2166	7.2224	7.0496	7.0263	7.0161
Australians	33.4434	33.4703	32.1320	32.0258	31.9789
Belgian Franc	1.3382	1.3393	1.2906	1.2856	1.2837
Canadian \$	34.2328	34.2603	33.2412	33.1314	33.0828
French Franc	8.2295	8.2361	7.9371	7.9061	7.8945
Hong Kong \$	6.443	6.4195	6.3361	6.3151	6.3059
Italian Lira	0.0279	0.0279	0.0269	0.0268	0.0267
Norway Kroner	6.4761	6.4813	6.3688	6.3478	6.3385
Singapore \$	29.9994	30.0235	29.0340	28.9300	28.8550
Saudi Rial	13.2989	13.3096	13.1160	13.0726	13.0535
UAE Dirham	13.5770	13.5880	13.3913	13.3470	13.3275
Swedish Krona	6.1244	6.1293	6.0478	6.0278	6.0190
Qatari Riyal	13.6978	13.7089	13.5068	13.4621	13.4424
Kuwaiti Dinar	169.9590	170.0657	157.6216	157.0010	156.7710
Thai Baht	1.2639	1.2650	1.2507	1.2465	1.2447
Euro	53.9619	54.0253	52.0643	51.9302	51.7847

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 5.41875 6.16375 6.08875 6.10125 6.18500
80.4601 82.0644 GBP 5.52281 6.07734 6.16234 6.30813 6.5025
Cash/TC Cash/TC Euro 2.1375 3.2905 3.38 3.47125 3.61125

Exchange rates of some Asian currencies against US dollars
Indian Rupee Pak Rupee Thai Baht Malaysian Ringgit Indonesian Rupiah Korean Won
43.537/ 43.542 51.81/51.84 39.60/ 39.65 3.7995/3.8005 7710/7760 1202/1205

Amex notes on Tuesday's market
USD/BDT rates ranged between 49.48-49.50 level as demand for USD declined slightly. BDT liquidity forced the call rates to stay in the 5.7-5.9 per cent level today.

The euro's attempts to make gains against the dollar were hampered on Thursday despite an improving outlook for the European single currency. A higher close in the Dow Jones Industrials Average was helping the dollar for the short term, but analysts said recent strong German data and the possibility of a European Central Bank interest rate hike later in the day should support the euro. The euro was at \$1.0712/16 by 0736 GMT, compared with a two-month high of \$1.0778 set on Wednesday and \$1.0709/11 in Wednesday's late European trading. Analysts said German August industrial production data, due later in the day, was also expected to be strong. The average consensus is for a 0.8 per cent rise month-on-month in August and for a 0.8 per cent fall year-on-year compared with a 2.7 per cent fall previously. The ECB will announce its interest rate decision at 1145 GMT. There was growing expectation that rates would rise by the end of the year. The euro-11 refinancing rate is currently 2.5 per cent.

The dollar was also holding up against the yen and had hit a 2-1/2 week peak overnight just below 108 yen. It was last at 107.87/97 compared with 107.43/53 late in Europe on Wednesday. The mood is still very constructive on the dollar against the yen but that is probably just a short term phenomenon said Lewis at Deutsche Bank. "There seems to be more likelihood that we will get more fiscal stimulus and that should reinforce the fact that we will get further positive quarters of growth for Japan, which should be supportive for the yen," Yoshio Suzuki, a policy maker for Japan's ruling coalition said overnight he expected the supplementary budget to include 6.5 to 7.0 trillion yen in direct fiscal spending.

Sterling barely moved in thin trading on Thursday as the foreign exchanges awaited the outcome of monetary policy meetings at the Bank of England and the European Central Bank. The BOE was to announce the results of the meeting at around 1100 GMT, followed by an ECB announcement slightly afterwards. A BOE rate hike would be positive for sterling, and the market could test \$1.67, a dealer at a Japanese bank said. He noted that there was talk of a large knock-out option with a \$1.67 barrier price expiring on Friday and added that a break through that level could trigger a flurry of short-covering in spot sterling.

At around 0932 GMT the exchange rates of major currencies against USD were: GBP/USD 1.6544/6554, USD/CHF 1.4866/4876, USD/JPY 107.44/107.49, EUR/USD 1.0710/0715.

Shipping Intelligence

Chittagong port					
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival
J/1	Aya-3	GI	Sing	Seacom	1/10 9/10
J/2	Rio Express	GI	P.Said	Seagony	24/9 12/10
J/4	Kuanyin	Wheat(P)	Sing	Limond	R/A 12/10
J/5	Saigon-2	GI	Saig	Royal	22/9 10/10
J/6	Thor Star	Wheat(P)	S.S.Daya	Angelic	26/9 13/10
J/7	Delos-1	Wheat(P)	K.Dia	Lams	4/10 12/10
J/8	Banglar Gourab	Wheat(G)	K.Dia	Lams	R/A 11/10
J/9	Handy Esperance	GI	Sing	PRO	20/9 10/10
J/10	Trident	GI	P.Said	MAS	23/9 11/10
J/11	Banglar Mookh	Wheat(G)	Sing	BSC	R/A 11/10
J/12	Kota Cahaya	Cont	Sing	Pil(BD)	5/10 8/10
CCT/1	Banglar Shikha	Cont	Sing	BSC	4/10 7/10
CCT/3	Jurong Balsam	Cont	Sing	Nol	3/10 7/10
RM/14	Ever Cheer	Fert	Sing	SSTL	19/9 7/10
RM/15	Revenge	Idle	Mumb	Sunrise	3/8 7/10
CCJ	Ken Koku	CCLink	Pak	Demure	29/9 20/10
CSJ	Ocean Pirde	C.Clink (Diamond)	Lumet	Apex	30/9 14/10
TSP	Banga Birol	Repair	Sing	BDSHP	13/10 12/10
RM/3	H.H.M	Bitumen	Sing	Atlantic	2/10 7/10
RM/6	Eburna	Hsd	Sing	ECSL	5/10 9/10
RM/8	Banglar Kallol	IDLE	MUMB	BSC	25/9 10/10
RM/9	Phaethon	Repair	Durb	OWSL	10/6 -
CUFLJ	Mary Nour	Cement	Mala	BEL	25/9 7/10

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading Port
Brave Pescadores (48)29/9	9/10	-	Everett	GI	-
OC Mallard (Cont) 26/9	8/10	Sing	QCSL	Cont	Sing
Leona	8/10	-	Prog	GI	-
Hickory	11/10	-	Karna	GI	-H
Jaya Mars (Cont) 2/10	8/10	CGO	Baridhi	Cont	Col
Tiger River (Cont)26/9	9/10	Sing	Nol	Cont	Sing
DA FA (Cont)17/9	10/10	Sing	RSL	Cont	Sing
Achieve (Cont)2/10	10/10	Sing	RSL	Cont	Sing
Mariana	11/10	-	Uniship	GI(BD)	-
Peleask	13/10	-	Uniship	Cement	-
Giorgos	10/10	-	Uniship	Cement	-
Petchrad	12/10	Padra	MBL	C.Clink(Cont)	-
Unity	11/10	P.Espc	Ancient	What(G)	-
Banga Biraj (cont)26/9	10/10	Sing	Bdship	Cont	Sing
Xpres Resolve (Cont)2/10	11/10	Sing	RSL	Cont	Sing
MFB Sonia	10/10	-	BBAL	-	-
MFB Lakshami	10/10	-	BBAL	-	-
Sea Bird-1	11/10	-	Apex	-	-
Pacific Eagle(48)29/9	11/4	-	Everett	Cemnt	-
Ever apply	11/10	Zhan	Unique	Tsp/R (Photo)	-
Banglar Robi (Cont) 2/10	11/10	Sing	BSC	-	-
Nassau Paradise	12/10	Tampa	OWSL	Gisp(Dap)	Sing
Confid ence	12/10	Sing	RSL	Cong	Sing
Qc Teal (Cont) 4/10	13/10	Sing	QCSL	Cont	Sing
Banga Mas Enam (Cont)4/10	13/10	P.Kel	ECSL	Cont	Sing
Eliza (Cont)4/10	15/10	Mgl	Baridhi	Cont	Col
Kota Berjaya (cont)4/10	13/10	Sing	Pil(BD)	Cont	Sing
Bay Bonanza	13/10	-	Prog	Fert	-
Kota Sing (Cont) 4/10	14/10	Sing	Pil(BD)	Cont	Sing
Banglar Mori (Cont) 2/10	14/10	Sing	BSC	Cont	Sing
OC Pintail(Cont)5/10	15/10	Sing	QCSL	Cont	Sing
Maersk Arizona	15/10	Houat	Lams	Wheat(G)	-
Kota Naga (Cont)5/10	17/10	Sing	Pil(BD)	Cont	Sing
Coastal Manate	18/10	Houat	Lams	Wheat(G)	-
Broad Gate	19/10	Houat	Lams	Wheat(G)	-
San Pablo (Roro)24/04/10	19/10	P.Kel	JF	Vehi	-