

New round of WTO talks far from certain: Envoys

GENEVA, Oct 19: Senior envoys said yesterday the launch of a full-scale round of global trade negotiations next year was far from certain amid major differences between key trading powers on just what should be included, says Reuters.

The envoys said high-pressure discussions at the World Trade Organisation (WTO) over the past few weeks were still a long way from producing a declaration for ministers to issue at the end of a meeting in Seattle in early December.

"Right now, it doesn't look too good," said one diplomat closely involved in the haggling over a text for the declaration which would normally set out the areas to be included in the talks, dubbed in advance the "Millennium Round".

"At this moment, I would say the chances of a round were anything between 50 and 90 per cent," another source quoted a minister from one European Union member state as saying last week.

Envoys from many of the

WTO's currently 134 member states make little secret of the fact that in the discussions since September positions have scarcely moved on the round's agenda.

While the EU and Japan are insisting on a wide-ranging negotiation including an effort to get talks started on investment and competition policies of WTO member states, the United States is seeking a less ambitious effort.

Many emerging economies are saying they do not want a round as such at all, while several of the 15 members of the Cairns Group of farm produce exporting nations are saying unless their concerns are addressed they will not support one either.

Diplomats said they did not expect progress before trade ministers from 25 "inner core" WTO powers hold pre-Seattle talks in the Swiss city of Lausanne on October 25 and 26, if even then. The Swiss government confirmed the dates on

Monday after diplomats last week said the meeting had been tentatively set for October 23-24.

The Lausanne gathering, to be chaired by Switzerland's Economy Minister Pascal Couchepin, has been called by a group of states across the North-South spectrum who dub themselves "Friends of the Round".

They have invited the four top trading powers, or Quad — the United States, the European Union, Japan and Canada — as well as several countries who are less than enthusiastic, including India and Malaysia.

"We have to try to get something the ministers can look at in Lausanne, and hopefully approve, but at the moment I don't think there will be much for them to do," said one diplomat.

A well-positioned EU source in Brussels said new Trade Commissioner Pascal Lamy would not be budging from the "comprehensive round" stance,

while the United States was "playing hardball" with its narrow negotiation preference.

A new round would be the eighth since 1947 when the WTO's predecessor, the General Agreement on Tariffs and Trade or GATT, was set up. All have progressively reduced tariffs on goods, and the last two began a movement into other areas.

The 1986-93 Uruguay Round brought agriculture and services — as well as intellectual property and sanitary issues — under the umbrella with agreement among participating nations that the GATT open trade rules should apply in these areas also.

It was also agreed that new negotiations on agriculture and services would begin by the middle of next year.

But developing countries, who make up the overwhelming majority of the WTO, say they have not yet been able to absorb all the obligations they accepted under the mammoth agreement signed in Morocco in 1994.



Bangladesh Express Co Ltd (BANEX), licensee of Federal Express Corporation (FedEx), opened its world-class FedEx services at Sylhet recently. M Tanveer Madar, Managing Director of BANEX, inaugurated the new outlet. — FedEx photo



Canadian High Commissioner in Bangladesh David Preston along with the senior commercial officer Tanveer ul Islam had a meeting with MCCI President Mahbub Jamil and Secretary-General C K Hyder on bilateral economic issues at the chamber yesterday. — MCCI photo

Chile, Central American states sign free trade agreement

GUATEMALA CITY, Oct 19: Chile joined a free trade bloc with Central American countries and the Dominican Republic on Monday in a historic expansion of the free trade zone, says AP.

Details of the treaty are to be disclosed in the coming weeks, but it deals with agricultural exports, as well as sanitation, intellectual property and other investments.

"The region must present a common front. We cannot present individual proposals to important countries such as Chile," said Guatemalan president Alvaro Arzu, who was hosting a summit of Central American leaders.

The Central American nations involved in the treaty include Guatemala, El Salvador, Costa Rica, Nicaragua and Honduras. Acting as observers were Belize, the Dominican Republic and Panama.

Pak govt asked to define loan defaulters

KARACHI, Oct 19: The Federal of Pakistan Chambers of Commerce and Industry asked the country's top leaders to distinguish between "wilful and circumstantial" bank loan defaulters in its crackdown on corruption, says Reuters.

A statement said the federation welcomed General Pervez Musharraf's call for accountability and said it would provide "conditional" support for the new regime if it was consulted about economic policy.

US-Vietnam trade deal stalled

HANOI, Oct 19: Three months after the United States and Vietnam agreed in principle on a landmark trade agreement, work on finalising the deal has stalled, sparking concern that it could face a long delay, says AP.

If it isn't signed before the US Congress ends its session next month, analysts say it's unlikely the deal would be passed during next year's presidential election campaign. The delay has US business investors and diplomats worried and increasingly pessimistic.

Both sides expected the deal to be signed at last month's Asia Pacific Economic Cooperation summit in New Zealand. But Vietnamese officials reportedly balked at the last minute.

The hesitancy marks a departure from three months ago when, after three years of talks and a 48-hour final session, the two countries agreed on the framework of a bilateral trade deal. It would be the last step in normalizing relations 24 years after the end of the Vietnam War.

Both Washington and Hanoi have declined to comment publicly on the delay.

"It's unfortunate they didn't maintain the momentum," said Tony Salzman, president of Caterpillar cons Vietnam government didn't take the opportunity to sign the agreement and move forward with the reform process."

The last-minute delay "looks terrible to the outside investment community," he said.

US and Vietnamese businesses had pinned hopes on the trade pact, which is expected to benefit both sides, particularly



M Nurul Islam, Chairman of National Bank Limited, inaugurates the 66th branch of the bank at Gulshan in the city on Monday. Khalilur Rahman, Habibullah and Ali Akbar Khan, Directors, and Rafiqul Islam Khan, Managing Director of the bank, are also seen in the picture. — NBL photo

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies.					
Currency	Selling T. & O.D.	Selling BC	Buying T. & O.D.	Buying BC	Buying O.D. Sight
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Ster	83.1486	83.2154	81.9205	81.6498	81.5302
Deutsche Mark	27.8955	27.9179	26.9001	26.7949	26.7557
Swiss Franc	33.9639	33.9913	33.4396	33.3290	33.2802
Japanese Yen	0.4743	0.4747	0.4655	0.4640	0.4633
Dutch Guilder	24.7577	24.7776	23.8743	23.7809	23.7461
Danish Krona	7.2926	7.2965	7.1191	7.0956	7.0852
Australians	32.6080	32.6342	31.3281	31.2245	31.1788
Belgian Franc	1.3525	1.3536	1.3042	1.2991	1.2972
Canadian \$	33.6423	33.6693	32.6904	32.5824	32.5346
French Franc	8.3174	8.3241	8.0207	7.9893	7.9776
Hong Kong \$	6.4136	6.4188	6.3354	6.3145	6.3052
Italian Lira	0.0282	0.0282	0.0272	0.0271	0.0270
Norway Kroner	6.4664	6.4716	6.3594	6.3383	6.3291
Singapore \$	30.0338	30.0580	29.0665	28.9704	28.9280
Saudi Rial	13.2996	13.3093	13.1156	13.0723	13.0531
UAE Dirham	13.5770	13.5880	13.3905	13.3463	13.3267
Swedish Krona	6.0920	6.0969	6.0160	5.9961	5.9874
Qatari Rial	13.6990	13.7100	13.5079	13.4632	13.4435
Kuwaiti dinar	170.4834	170.605	167.957	167.4536	167.229
Thai Baht	1.2614	1.2624	1.2484	1.2443	1.2425
Euro	54.5588	54.6027	52.6120	52.4063	52.3295

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 Month	6 Month
49.0850	49.7300	USD	5.4075	6.1975	6.1037
81.5302	83.1486	GBP	5.32219	5.9967	6.1225

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesia Rupiah	Korean Won
43.35/43.43	51.895/51.90	39.45/39.50	3.7995/3.8005	7610/7635	1205/1205.14

Amer notes on Tuesday's market
The local interbank USD/BDT market was active today. USD/BDT rates today ranged in the 49.48-49.50 level.

Call money market was active today. Average call rates ranged between 6.50-7.5 per cent today.

In the international market the dollar losses against the yen and the euro were halted on Tuesday after an overnight rally in US stocks but currency traders were nervously watching for US assets' reaction to inflation data later in the day. The US currency has been taking its cue from the Dow Jones Industrial Average amid concern that a collapse in the stock markets could spill over to a sell-off in the dollar. If the report at 1230 GMT shows US consumer prices rose by more than expected in September it could hit Wall Street stocks and undermine the dollar, as happened after the larger-than-expected rise in US producer prices reported on Friday. Economists expect a 0.4 per cent monthly rise in CPI. The dollar was at 105.34/39 yen at 0732 GMT, steady above Monday's two-week low at 104.78, supported by the Dow's 0.96 per cent gain overnight.

Pound advances vs euro and remains within whisker of 1999 peak vs the dollar as independent pound strength emerges amid M&A activity and expectations of UK rate hike. Pound also seen supported by UK Treasury's report on Monday which called for vigilant approach to keep inflation on target, strengthening expectation of further UK rate hike. Pound was at \$1.6711/16 vs Monday's \$1.6730, highest since Dec 1998.

At around 0858 GMT the exchange rates of major currencies against USD were: GBP/USD 1.6710/6718, USD/CHF 1.4681/4689, USD/JPY 105.40/105.48, EUR/USD 1.0820/0824.

Shipping Intelligence

Chittagong port					
Berth	Name of vessels	Cargo	Last port	Local agent	Date of Leaving
J/2	Leon	Wheat	G/ Osaka	Prog	8/10
J/3	Mira	Wheat	Aust	MSA	2/10
J/4	Panglima	G/Batumen	B. Abb	MSA	29/09
J/5	Ever Ampla	TSP/R/Phos	Zhan	Bdship	12/10
J/6	Thor Star	Wheat	S. Daya	Angelic	26/09
J/7	Xiang Cheng	G/ Zing	BdShip	BdShip	6/10
J/8	Banglar Urmil	Wheat	G/ Hing	BSC	R/10
J/9	Elizabeth	R Seed	Hamb	Rainbow	10/10
J/10	Thrident	G/Peas	P. Said	MSA	29/09
J/11	Jurong Balsam	Cont	Sing	Nol	17/10
J/12	Kota Naga	Cont	Sing	Pil(Bd)	16/10
J/13	Delos-1	Wheat	G/ K. Dia	Lams	4/10
CCT/1	Eliza	Cont	Mong	Baridhi	15/10
CCT/2	Banglar Shika (Flag)	Cont	sing	BSC	18/10
RM/14	Qc pintail	Cont	sing	QCSL	16/10
RM/14	Ocean Pride	C Clin	Lumet	Apex	30/09
CSJ	Ken Koku	C Clin	Pak	Delmure	29/09
GSJ	Santa Rosa(Neaped)	Wheat	G/ Rouen	Ancient	3/10
TSP	Bold Alliance	Cement	Tanj	Uniship	4/10
RM/5	Banglar Maya	Repair	Tuti	BSL	6/10
DDJ	Banga Birol	Repair	Sing	BdShip	13/09
DDJ/2	Sea Bulk Command	Repair	Sing	IBS	R/10
RM/8	Banglar Mookh	Repair	Sing	BSC	R/10
RM/9	Phaethon	Repair	Durb	OWSL	10/06

Vessels due at outer anchorage					
Name of vessels	Date of last arrival	Local agent	Cargo	Loading	Port
Arcadia	19/10	Mong	Lams	P/Lighter	C. Mana
Coastal Manatee	18/10	Hoult	Lams	Wheat	G
MFB Devi Matha	19/10	-	BBAL	Sarva	Managala
MFB Sona	19/10	-	BBAL	Bhavathi	Matha
MFB Lakshmi	19/10	-	BBAL	For Survey	Purpose
San Pablo (Roro/24/4)	10/10	P. Kel	JF	Veh(40 Kgs)	
May Nour	20/10	P. Kel	BSL	Cement	(CULF)
Bunga Mas Lapan (Cont)	10/10	20/10P. Kel	ROSL	Cont L/Sing	
Express Maklu (Cont)	10/10	20/10P. Kel	ROSL	Cont L/Sing	
Mehmet Emin	21/10	Panj	Pil(Bd)	C Yellow	Maize
Kota Cahaya (Cont)	10/10	Sing	Pil(Bd)	Cont	L/Sing
Pacardream	20/10	Tampal	Limond	Dap in Bulk	
Jaya Mars (Cont)	11/10	21/10	Col Baridhi	Cont	L/Col
Tiger River (Cont)	12/10	22/10	Sing	Nol	Cont
Liberty Spirit	21/10	Hoult	Lams	Wheat	G
Board Gate	22/10	-	BSL	Cement	(Culfi)
QC Mallard (Cont)	12/10	22/10	P. Kel	QCSL	Cont
Proteus	22/10	Illye	Limond	Cont	L/Sing
Shun An	22/10	RML	St. Col		
Bright Vega (Roro/24/5)	10/10	P. Kel	BBA	Vehi	
Yong Jiang	24/10	S. hai	BdShip	G	
Areti	24/10	Mumb	Umti	Gi(st. col)	
Erman Thia	24/10	-	Prog	Gi (S. col)	
Tiger Hope (48)	24/10	Kao	Prog	Gi (S. col)	
Triumph Hong Kong (48)	18/10	25/10	Sing	RML	Gi(st. Col)
Banglar Robi (Cont)	17/10	25/10	Sing	BSC	Cont L/Sing
Xpress resolve (Cont)	17/10	25/10	Sing	BSC	Cont L/Sing
Dafa (Cont)	17/10	25/10	Sing	BSC	Cont L/Sing
Brisa Azul	26/10	-	Everett	Cont	L/Sing
Vega SS	27/10	Shekol	Limond	MOP(Bagged)	
Kota Berjaya (Cont)	17/10	27/10	-	Pil(BD)	Cont L/Sing
Bhavabhatti (48/7)	10/10	28/10	-	SSLL	Cont
Confidence (Cont)	27/10	28/10	-	RSL	Cont L/Sing
Banga Biraj (Cont)	17/10	28/10	-	BdShip	Cont L/Sing
Bunga Mas Enam (Cont)	18/10	28/10	Pkl	EOSL	Cont L/Sing
Socul (48)	18/10	28/10	Sing	Everett	Cont
Qc Teal (Cont)	18/10	29/10	Yan	QCSL	Cont L/Sing
Kota Sing (Cont)	18/10	29/10	-	Pil (Bd)	Cont L/Sing
Hickory	30/10	-	Karna	Lash	
Banglar Moni (Cont)	17/10	30/10	-	BSC	Cont L/Sing
Achiever (Cont)	17/10	30/10	-	RSL	Cont L/Sing

Tanker due					
Koo Yong	19/10	Sing	ECSL		
Acushnet	23/10	Alubia	ECSL	HSD	

Vessels at Kutubdia					
Name of vessels	Cargo	Last port	Local agent	Date of arrival	
Energy Explorer-IV	-	-	BBAL	5/4	
De Champion	-	-	BBAL	17/8	
Seabulk Eagle	-	-	BBAL	6/10	
Mearsk Arizona	Wheat(G)	Hoult	Lams	16/10	
Ken Zui	Wheat(G)	Mong	Lams	R/A	
Spiros	C Oil	-	BSL	16/10	
Banglar Jyoti	C Oil	-	BSC	R/A	
Banglar Shourabh	C Oil	-	BSC	R/A	

Vessels at outer anchorage					
Med Rida	DPRS	Rouen	Seaglor	8/1	
Petch Rava	C Clin	Pada	MBL	17/10	
Altair SS	GI	Sing	QCSL	15/10	
Ultima (Cont)	Cont	Sing	QCSL	18/10	

Vessels not ready					
Unity	Wheat(G)	Espe	Ancient	11/10	
Nassau paradise	Grsp/Dap	Durb	OWSL	12/10	

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

EU central bank may raise interest rates this year

FRANKFURT, Oct 19: A majority of analysts, swayed by European Central Bank officials' recent hawkish comments and inflation warnings in the bank's latest monthly report, expect the ECB to hike interest rates this year, a Reuters poll showed, says Reuters.

Only four of the 38 analysts questioned today see a move on Thursday while 13 pinpointed the ECB's regular council meeting on November 4 as the date for increasing the 2.50 per cent refinancing rate.

The survey showed a total of 20 economists expect the bank

to nudge up rates by between 25 and 50 basis points before the year's end compare with only ten out of 34 in the last survey.

Analysts are sure rates will rise in the next six months and are scrutinising official comments for clues on timing.

"The ECB has already laid the groundwork for a hike by recent hawkish comments," said Kirit Shah with Sanwa International. "The shape of the Bund curve and dramatic rise in yields already signal strongly that the ECB could be behind the curve if they don't tighten in the fourth quarter."

Those predicting the bank will raise rates this week say it has kept the market on tenterhooks for long enough with hints at increasing concern over inflation and M3 money supply.

On Monday Bundesbank President Ernst Welteke said the euro zone growth outlook was better and monetary expansion was accelerating.

"We are considering whether this period of accommodative monetary policy stance has taken long enough but what we do need is some more evidence that will make our conclusions very firm, which will lead us to further action," Duisenberg said after the last ECB meeting.

Oil prices fall

LONDON, Oct 19: World oil prices slumped yesterday as dealers took stock after two weeks of huge price swings, reports Reuters.

World benchmark Brent blend crude oil futures traded 48 cents down at \$22.02 a barrel at the end of the trading session on London's International Petroleum Exchange.

Dealers said the market appeared to be settling for the time being in the middle of a recent \$20-\$24 a barrel range.

Prices were volatile as speculators engaged in a heavy bout of profit taking followed by a fresh spate of buying on futures markets in London and New York.

The market remains short of a 33-month high of \$24.30 because of concern over OPEC compliance with self-imposed output curbs and a slower-than-

expected decline in onshore stockpiles in industrialised nations.

But analysts still expect a large supply shortfall as winter demand races ahead of deliveries depressed by OPEC output limits scheduled to stay in place until next April.

"Crude supplies are already tight in the Atlantic Basin and North Sea cargoes are no longer being arbitrated into the United States," said London's Centre for Global Energy Studies. "Middle distillate stocks remain high, but as winter bites they will fall slightly."

Oil ministers from OPEC want to see stock levels fall to the low levels of the winter of 1996-1997 before considering raising supplies but immediate inventory data is notoriously unreliable.

Japan warily eyes Wall Street UK unemployment set to fall further

TOKYO, Oct 19: The Japanese government, like the financial markets, appeared today to be warily eyeing Wall Street, although officials were not publicly expressing worries of a US stock tumble, reports Reuters.

Finance Minister Kiichi Miyazawa noted that Federal Reserve Chairman Alan Greenspan has repeatedly warned US investors about potential share price declines, adding that he agreed with Greenspan that investors should be cautious.

"It is best not to say anything unnecessarily," Miyazawa told a news conference. "But investors should pay sufficient attention to what the Fed chairman said."

Amid smouldering fears of rising US inflation and possible interest rate rises, Greenspan said last Thursday there have been no sudden, sharp reversals in confidence and investors and banks need to set aside funds to prepare for such risks.

The Dow Jones industrial average plummeted on his comments last week but steadied on Monday. Investors worldwide were nervously wait-

ing to see what happens on Tuesday when US consumer price data is released.

The Japanese government is keenly watching Wall Street and Washington, quietly yearning for a soft landing for the US economy and its stock market, which some officials in Tokyo have privately said for some time are looking bubbly.

Expressing a sanguine view, the Economic Planning Agency's vice minister for international affairs, Seiji Shimpo, said: "There may be some correction of (US) stock prices, but not a bursting of the bubble."

"The United States still has room to cut interest rates or boost fiscal spending if it needs to prevent a sharp downturn in stock prices and avoid a recession," Shimpo told Reuters Television on the sidelines of a forum in Singapore.

As Japan's economy moves toward a tentative recovery from its worst postwar downturn, government officials have repeatedly said they will do all they can to ensure the upturn becomes fully entrenched but that their greatest concern was

would respond to any such "disruptive phenomena" if needed.

The EPA's Shimpo said the negative impact of a US downturn on Tokyo shares was not likely to be serious.

He also said he was not very worried about the yen's current levels, especially as the benefits of a stronger yen — such as cheaper imports — were expanding.

The dollar was trading around 105.40 yen late in the Tokyo session on Tuesday, relinquishing some of its recent gains but above its late-September low near 103 yen.

The dollar bounced off those lows when the Group of Seven industrial powers said on September 25 they shared Japan's concern about the strong yen and Bank of Japan Governor Yutaka Yamaguchi promised to take the foreign exchange market into account when setting monetary policy.

On Tuesday, BOJ Deputy Governor Yutaka Yamaguchi said the yen's 15 per cent climb from July to September was "quite rapid", reiterating that the central bank was prepared to take timely action on exchange rate changes.

According to the median of 19 forecasts, the unemployment rate for 1999 as a whole will be 4.4 per cent of the workforce. That is slightly above the actual claimant count rate of 4.2 per cent in September but the economists predicted it would edge down to 4.1 per cent next year.

Some saw it going even lower. "The continued growth of the economy means the jobless total will continue to fall," said Philip Shaw of Investec who sees unemployment hitting 3.4 per cent next year.

"Barring a sharp slowdown in activity, it would be difficult