

Debt relief issue stalled in US amid high-level talks

WASHINGTON, Nov 11: Congressional Republican leaders and the Clinton administration were stalled yesterday on the thorny issue of whether to approve an IMF-led debt-relief effort, despite hours of high-level haggling, says Reuters.

US Treasury Secretary Lawrence Summers met with House Majority Leader Dick Armey for talks which continued until late evening, but both sides said a deal on debt relief, which would slash the debts of many of the world's poorest countries in half, was still not at hand.

"We had a fascinating discussion, but we have not made any conclusions yet," Armey told Reuters. But in a sign that he has thawed in recent days on the issue he added, "Debt relief will be tied to economic growth issues."

The two sides are seeking agreement on whether to allow the International Monetary Fund to revalue part of its massive gold reserve, freeing up about \$2 billion in paper profits.

The lending agency needs the cash to fund its obligations under the Heavily Indebted Poor Countries initiative.

Coupled with debt-relief from the Paris Club of creditor nations, the plan aims to cut the debts of 33 poor nations, such as Nicaragua and Uganda, to \$45 billion from \$90 billion.

Summers told reporters, "There is a shared recognition of the importance of debt relief as an economic and moral issue and there is a common desire to work out suitable modalities."

He declined to discuss what was holding up the negotiations which seemed near agreement in recent days.

The gold revaluation is the linchpin to the HIPC scheme since it funds the IMF's obligations.

Many fear that blocking the revaluation would cause the entire effort to collapse.

Some US lawmakers have opposed the HIPC plan on fears that it gives the IMF a role in

poverty reduction — an arena in which the organisation should not be involved. Others claim problems at home are more important.

Once a compromise is reached, House and Senate leaders will approve a final foreign aid bill in conference meetings.

Other issues the Republican leaders are demanding include linking the authorisation to greater transparency at the IMF and allowing the revaluation in instalments rather than in one chunk, sources said.

The foreign aid bill, approved last week by the House, included \$123 million for bilateral debt relief, which is enough cash this year to meet President Bill Clinton's pledge to completely write off the debts owed to the United States by poor countries.

But it came up well shy of the \$370 million the administration requested in multilateral aid and left nothing for the US contribution to the HIPC plan.



A 16-member team of BASIS (Bangladesh Association of Software and Information System) left Dhaka for USA yesterday to participate in the world's biggest IT fair, Comdex Fall '99, to be held at Las Vegas from Nov 15-19. Picture shows: (from the left) Mustafa Rafiqul Islam, team leader and Treasurer of BASIS, Muneem Hossain Rana, Majibur Rahman, Atique Rabbani, Monir Uddin Ahmed, Moniruzzaman Chowdhury, Rizwanul Bin Faruque, Sheikh Kabir Ahmed and Tapan Kanti Sarkar. —BASIS photo

Entry seen speeding up financial sector reforms US, China hold 'constructive' talks on WTO membership

BEIJING, Nov 11: US and Chinese negotiators ended the first day of potentially crucial talks on China's entry to the World Trade Organisation (WTO) yesterday, with market-soothing pledges of a serious push for an agreement, reports Reuters.

"We had some good sessions today," a spokesman for US Trade Representative Charlene Barshefsky told Reuters. "We think they were very constructive."

In Washington, White House spokesman Joe Lockhart said that the Clinton administration was committed to the talks. "We want to get it done and we're working hard," he said.

Deputy US Trade Representative Richard Fisher sounded a note of caution. "Unless it's a good deal, it's not going to happen," he told reporters in Washington.

Negotiations between a US team headed by Barshefsky and a Chinese team led by Foreign Trade Minister Shi Guangsheng in Beijing were expected to continue on Thursday morning, he said. Technical teams from both sides were still in talks.

The negotiations began with both sides sounding upbeat.

Statements expressing eagerness to move forward as demonstrated by the high-powered delegations on each side of the table in Beijing rekindled regional investor hopes and fanned Hong Kong share buying for China plays.

US presidential adviser Gene Sperling, accompanying Barshefsky, said President Bill Clinton had dispatched him "to make clear his belief that we have a historical opportunity."

Shi said Beijing was "positive and serious" about talks that could secure China's WTO entry before the 134-strong body meets in Seattle on Nov. 30 to launch a new global trade round.

Meanwhile, a report filed from Singapore says: China's state-owned commercial banks will gain from their country's entry to the World Trade Organisation (WTO) as this will speed up financial sector restructuring, a top Chinese bank official said today.

"It will actually do us good by stimulating us to expedite reforms," Zhou Xiaochuan, governor of China Construction Bank (CCB), told Reuters in an interview.

Zhou, attending a financial conference in Singapore, said competitive pressure from foreign banks was not expected.

JOBS training for Bank SME clients ends

The three-day training workshop on "Bank SME Clients Training in Strengthening Business and Marketing Development" ended at the Munshiganj Government Women's College recently.

It was organised by the US-AID-funded JOBS Programme in collaboration with Micro Enterprise Development Unit (MEDU), Agrani Bank.

Conducted by the Centre for Human Excellence (CENCE), the training programme was attended by 19 participants from the Rampal area of Munshiganj.

Nurul Hoque, Deputy Commissioner of Munshiganj, distributed the certificates among the participants as chief guest on the concluding day.

Amanullah, Principal of the College, spoke on the occasion as a special guest.

Mohsin Uddin Ahmed, Assistant General Manager and Zonal Head of Agrani Bank in Munshiganj, chaired the closing ceremony.

Move to cut expenditures New Pakistan ruler to remove top bankers

ISLAMABAD, Nov 11: The military regime in Pakistan has decided to drastically reduce the unnecessary expenditures of banks and state-owned enterprises by removing from service their highly-paid top executives, media reported today.

The administration had expressed concern over the state of affairs in nationalised commercial banks, Development Financial Institutions (DFIs) and other corporations. English daily "Dawn" has said.

The military regime, who has set a November 16 deadline for all defaulters to pay back bank loans, believed that these banks and corporations were spending much more than they were required to, particularly by offering their employees salaries ranging from Rs 50,000 to Rs four lakh.

Tariq Aziz, Principal Secretary to Chief Executive Gen Pervez Musharraf, is believed to have said that the administration could not afford to pay hefty salaries and fringe benefits to those who have been inducted to various posts by the government of deposed premier Nawaz Sharif, the daily said.

Official sources said orders were being issued to the concerned authorities to make best use of the employees already working at various places instead of retaining the services of those brought from the private sector and foreign banks.

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 Stp	81.2340	81.2930	80.0217	79.7572	79.6404
Deutsche Mark	26.9394	26.9611	25.9514	25.9499	25.9120
Swiss Franc	32.4375	32.4636	31.8378	31.7326	31.6861
Japanese Yen	0.4751	0.4755	0.4684	0.4648	0.4642
Dutch Guilder	23.9092	23.9294	23.0323	22.9422	22.9086
Danish Krona	7.0319	7.0375	6.8738	6.8511	6.8410
Australians	32.4488	32.4749	31.1456	31.0426	30.9972
Belgian Franc	1.3061	1.3072	1.2582	1.2533	1.2515
Canadian \$	34.2422	34.2698	33.2502	33.1403	33.0918
French Franc	8.0324	8.0388	7.7378	7.7075	7.6962
Hong Kong \$	6.4118	6.4170	6.3336	6.3127	6.3035
Italian Lira	0.0272	0.0272	0.0262	0.0261	0.0261
Norway Kroner	6.3584	6.3636	6.2540	6.2334	6.2242
Singapore \$	30.0483	30.0725	29.0802	28.9841	28.9416
Saudi Rial	13.2975	13.3082	13.1142	13.0709	13.0617
UAE Dirham	13.5770	13.5880	13.3909	13.3466	13.3271
Swedish Krona	6.0110	6.0159	5.9364	5.9168	5.9081
Qatari Rial	13.6971	13.7081	13.5068	13.4621	13.4424
Kuwaiti dinar	172.0168	172.1550	159.1965	158.6733	158.4409
Thai Baht	1.2743	1.2753	1.2612	1.2571	1.2562
Euro	52.0889	52.1313	50.7565	50.5580	50.4839

Bill buying rates					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
49.2112	48.9900	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	5.40	6.0637	6.0012
80.4601	82.0644	GBP	5.3614	5.8272	5.9709
Cash/TC	Cash/TC	Euro	3.46	3.45	3.468

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.30/43.45	51.875/51.91	38.04/38.09	3.7995/3.8005	7000/7050	1179/1185.8

Amex notes on Thursday's market

Lack of demand has kept the USD/BOT rates in the 49.48-49.51 level. The call market was locked in 5.5-5.75 per cent level. Both the interbank USD market and the call market is liquid.

The yen was broadly stable against the dollar <JPY> and the euro <EUR JAP> early in European trading on Thursday following mild losses overnight on some disappointment over Japan's economic stimulus package. Despite a larger than expected total package of 18 trillion yen (\$172 billion), fresh direct fiscal spending, at 6.5 trillion yen was towards the bottom end of expectations: No key economic data in Europe and a partial holiday in the United States are expected to limit activity in foreign exchange markets, analysts said. "The stimulus package was very much along the lines of what people expected except that the actual new money is if anything towards lower end of expectations so there was a bit of selling of yen, but it has not been a big move in dollar/yen," said Chris Iggo, currency strategist at Barclays Capital in London.

"More important going forward is how the budget is going to be financed in terms of what it means for new issuance of JGBs and when we get the updated projections from the Ministry of Finance about the budget deficit and the outstanding Japanese debt. They are the long term issues which may ultimately lead to the yen weakening." Dollar/yen had risen around 0.75 per cent from overnight lows to reach a high for the day at 105.25 by 0816 GMT.

Stirling rose to one-week highs against the dollar on Thursday, helped by broad dollar weakness amid nervousness over US assets, but was slightly weaker against the euro. The pound was bolstered against the dollar after Wednesday's data showing stronger than expected core US producer price inflation, which renewed expectations of a US interest rate rise and a possible fall in US share prices. "Today, it is probably thoughts about the Fed and the implications for asset prices which have had a bit of an impact," said Glenn Davies, chief economist at Credit Lyonnais in London. The pound <GBP> earlier set a peak at \$1.6288, its highest since last Thursday, and was at \$1.6250/51 at 0829 GMT.

At around 10:15 GMT the exchange rates of major currencies against USD were GBP/USD 1.6257/1.6260, USD/CHF 1.5398/5408, USD/JPY 105.25/105.30, EUR/USD 1.0428/1.0432.

Shipping Intelligence

Chittagong port									
Berth position and performance of vessels as on 11.11.99									
Berth No	Name of vessels	Cargo	L Port arrival	Local agent	Date of arrival	Leaving			
J/1	Santa Suria	Q	Yang	AMBL	30/10	18/11			
J/2	Astro Bright	Onion	Mars	MSA	5/11	18/11			
J/3	Xuan Cheng	Q	Sing	Bdship	27/10	16/11			
J/4	Sarah-1	Q	Yang	SMSL	4/11	11/11			
J/5	Al Bauraq	C Clink	Kara	RML	22/10	13/11			
J/6	Sun Jin (48)	Q	Hald	H&S	7/11	11/11			
J/7	Banglar Maya	Wheat (P)		SSST	R/A	11/11			
J/8	Yong Jiang	Q	S. Hai	Bdship	27/10	15/11			
J/9	Vega-SS	Mop (Bag)	Shelko	Litmond	26/10	14/11			
J/10	Mehmet Emin	G (Maize)	Panj	Angelic	20/10	12/11			
J/11	Med Hope	Wheat (G)	K. Dia	Lams	26/10	14/11			
J/12	Pandynamic	Wheat (P)	Adel	Angelic	13/10	16/11			
J/13	Ken Koku	Wheat (G)	K. Dia	Lams	28/10	14/11			
CCT/1	Banglar Moni	Cont	sing	BSC	8/11	12/11			
CCT/2	Tiger River	Cont	Sing	Nol	5/11	11/11			
CCT/3	Banga Birol	Cont	Sing	Bdship	7/11	11/11			
RM/14	Sibirsk	Cement	Sing	Apex	17/10	19/11			
RM/15	Maria-M	Cement	Sing	Uniship	25/10	11/11			
CCJ	Corali	C Clink	Karab	RMB	30/10	12/11			
QJS	Board Gate	Wheat (G)	Houst	Lams	2/11	10/11			
TSP	Huaitan	R Phos	Yiong	Cosmos	25/10	11/11			
RM/4	Mu Du Bong	TSP	Zhan	Delmore	8/11	18/11			
RM/6	Acushnet	Hsd/Jet-1	Sing	ECSL	9/11	12/11			
DOJ	Banglar Jyoti	C Oil		BSC	03/11	11/11			
DDJ/1	Al Marzan	Repair	Tuti	BSL	06/10	14/11			
RM/8	Banglar Mookh	Repair	BSC	R/A	R/A	112/11			
RM/9	Phaethon					15/11			
KAFCO(U)	Martina	Fert	Mong	SMSL	17/10	24/11			

Russia hopes for IMF loan before Camdessus goes

MOSCOW, Nov 11: The pending resignation of International Monetary Fund chief Michel Camdessus is bad news for Russia but probably will not stop it getting a \$1.3 billion loan from the IMF, officials said yesterday, reports Reuters.

IMF relations with Russia have gone through sticky patches in the past, with the Fund freezing loans many times, but Camdessus enjoyed a good personal rapport with Russian leaders, even going hunting with one prime minister.

Camdessus, who led the Fund in post-Soviet lending, this year applauded Russia's economic improvement even as the Group of Seven industrial nations highlighted the need

for increased fiscal transparency, laying down tough new conditions for a \$4.5 billion IMF loan that remains on hold.

But Russia hopes the IMF board will approve payment of the next loan tranche in December. Camdessus announced on Tuesday he would step down only in mid-February.

"It is unlikely to affect the disbursement to Russia of the second and third tranches, which were originally planned for 1999," Alexander Livshits, Moscow's envoy to the Group of Eight, was quoted by Ekho Moskvy radio as saying.

"Camdessus plans to leave next year, and probably the decision on Russia will be taken this year," Livshits said.

First Deputy Prime Minister

Viktor Khristenko told reporters that in any case IMF shareholders — code for Western powers — took the decisions. He did not expect major changes in Russia-IMF relations: "Everything did not depend on [Camdessus]."

But Camdessus' announcement was unwelcome news as Russian officials negotiated with an IMF mission in Moscow. "It may complicate talks, on the whole," Michel Camdessus knew the situation in Russia very well. He truly wished Russia well. "Tax Minister Alexander Pochinok told a news conference.

Russia has already received one \$640 million tranche of the \$4.5 billion loan deal agreed in July and has been waiting since September to get the second.



Md Nurul Hoque, Deputy Commissioner, speaks at the closing ceremony of JOBS-sponsored 'Bank SME Clients Training in Strengthening Business and Marketing Development' held in Munshiganj recently. Quazi Mahmud, Chief Executive of CENCE, Amanullah, Principal of Munshiganj Govt Girls' College, Mohsin Uddin Ahmed, Assistant General Manager and Zonal Head of Agrani Bank, Munshiganj, Aniruddha Hom Roy, Manager of Loan Facilitation, JOBS, and Syed Latif Hussain, Manager of Communications & Training, JOBS, are also seen in the picture. — JOBS photo

Camdessus says he didn't quit because of criticism Battle for top IMF job heats up

WASHINGTON, Nov 11: The battle to succeed France's Michel Camdessus as head of the International Monetary Fund heated up yesterday as Germany pushed to seize the top-flight job, reports Reuters.

The post, now paying a tax-free salary of just under \$250,000, traditionally goes to a European. It will initially be up to European governments to nominate a successor to Camdessus, 66, who announced his plans to quit on Tuesday.

If Europe cannot agree on a candidate — the bickering lasted for four months when Camdessus took the job in 1987 — Camdessus might stay on beyond his hoped-for February retirement date, or his deputy

Stanley Fischer could take the reins on a temporary basis.

"I think it is important to get a strong leader for a position of major responsibility," US Treasury Secretary Lawrence Summers told reporters in Washington.

The United States would be "engaged" in the decision-making process, Summers added, but declined to say how long it might take to find a successor.

The position of IMF managing director is one of the top jobs in an international community which has a history of wrangling over such spoils. The last two IMF bosses have been French and many feel that another country should take a

turn.

"I hope that my successor will be appointed promptly," Camdessus told a news conference as he announced his decision.

German sources, quick off the mark in the succession race, threw their weight behind deputy finance minister Carlo Koch-Weser, who spent 26 years at the World Bank before heading back to Germany. Educated in Germany and Brazil, he speaks six languages — three more than Camdessus.

That World Bank role gives Koch-Weser — viewed as a safe, if colourless pair of managerial hands — experience with Washington's international lenders, complicated institutions which

must balance the wishes of rich shareholders like the United States and those of poor countries seeking aid.

The World Bank and IMF promise repeatedly to cooperate, but insiders still see a gulf between the two. Koch-Weser's ties to the bank could hurt his standing with fund staff, they say.

Working in favour of Koch-Weser's candidature is Germany's new international confidence since the fall of the Berlin Wall 10 years ago. Germany is Europe's largest economy and a German national has not held this senior international position in the post-World War Two era.

Rising debt may delay Japan recovery

TOKYO, Nov 11: The Japanese government's reliance on deficit spending could actually delay the economic recovery it hopes to promote with its latest massive stimulus package, economists say, reports Reuters.

The 18 trillion yen (\$171 billion) package unveiled today includes direct fiscal spending of 6.5 trillion yen that will have to be financed through new issues of government bonds that will further inflate Japan's already bloated public debt.

"Japan's national debt has already ballooned to an awfully high level that can't be brought back down by a merely 'normal' economic recovery," said Kazuo

Mizuno, chief economist at Kokusai Securities.

Japan's debt incurred by national and local governments has doubled since 1992 to about 600 trillion yen. According to the Organisation for Economic Cooperation and Development, it is equal to 118 per cent of national income, the highest of the 29-strong rich countries' club.

"This could end up in something like a large-scale tax hike later on, so no one will want to spend money," Mizuno said. And that would put the brakes on the domestic demand-led growth that Japan has long been striving to achieve.

Vessels at Kutubdia					
Energy Explorer-IV			BBAL	5/04	
Ismaia			BBAL	17/08	
De Champion			BBAL	6/10	
MF8 Dvri Matha			BBAL	24/10	
MF8 Sona			BBAL	24/10	
MF8 Lakshmi			BBAL	24/10	
Seabulk Eagle			IBS	R/A (25/10)	
Seabulk Command			IBS	R/A (29/10)	
Seabulk-1	Cement	Sing	Apex	R/A (30/10)	

Vessels at outer anchorage					
Ready on					
Agia Philothei	Wheat (P)	Houst	OWSL	16/10	
AGI	G (Maize)	Sing	OWSL	25/10	
Star Chaser	DP/MS (G)	Sing	Rainbow	27/10	
Ariseb	Wheat (P)	Pena	Rainbow	29/10	

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