

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 prof-

its.

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, Muneen 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've 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 hap-

pen," 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 Rangam 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.

Tarid 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	Buying OD. Export Bill	Buying OD Transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0500	
Pound Sterling	81.2340	81.2993	80.0217	79.7572	79.6044	
Deutsche Mark	26.3934	26.9811	25.9514	25.8499	25.8124	
Swiss Franc	32.4375	32.4636	31.8378	31.7326	31.6861	
Japanese Yen	0.4751	0.4755	0.4664	0.4648	0.4642	
Dutch Guilder	23.9092	23.9284	22.9422	22.9086		
Danish Krone	7.0319	7.0377	6.8738	6.8511	6.8410	
Australians	32.4488	32.4749	31.1456	31.0426	30.9972	
Belgian Franc	1.3061	1.3072	1.2562	1.2533	1.2515	
Canadian \$	34.2422	34.2698	33.2502	33.1403	33.0918	
French Franc	8.0324	8.0386	7.7378	7.7075	7.6962	
Hong Kong \$	6.4118	6.4170	6.3336	6.3127	6.3035	
Italian Lira	0.0272	0.0272	0.0261	0.0261		
Norway Krone	6.3584	6.3636	6.2540	6.2394	6.2242	
Singapore \$	30.0483	30.0725	29.0802	28.9841	28.9416	
Saudi Rial	13.2975	13.3082	13.1142	13.0700	13.0517	
UAE Dirham	13.5770	13.5880	13.3909	13.3466	13.3271	
Swedish Krona	6.0110	6.0159	5.9364	5.9081	5.9008	
Qatari Riyal	13.6971	13.7081	13.5068	13.4621	13.4242	
Kuwaiti dinar	172.0166	172.1550	158.1985	158.0733	158.4409	
Thai Baht	1.2743	1.2753	1.2612	1.2571	1.2562	
Euro	52.6889	52.7313	50.7565	50.5580	50.4839	

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
49.2112	48.0900	48.4860	48.0870	47.6760	46.8540

US dollar London Interbank Offered Rate (LIBOR)

Buying	Selling	Currency	1 Month	3 Month	6 Month	9 Month	12 Months
49.0850	49.7300	USD	5.40	6.0837	6.0012	6.0487	6.09
80.4601	82.6644	GBP	5.35141	5.8272	5.9709	6.1225	6.2831
Cash/TC	Cash/TC	Euro	3.46	3.45	3.468	3.52663	3.60

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Bath	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.30/43.45	51.8756/51.91	38.04/38.0	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 were 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 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 and 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.

Sterling rose to one-week highs against the dollar, 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/USD** earlier set a peak at \$1.6288, its highest since last Thursday, and was at \$1.6250/57 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</