

## US stocks hit record highs

NEW YORK, Dec 4: US stocks surged to record highs and bonds rallied on Friday, after news that US wages barely rose in November eased investor worries the Federal Reserve would hike rates aggressively to head off inflation, reports Reuters.

Europe's single currency barely stayed above \$1.

Wheat prices sank to 22-year lows amid forecasts for rain and snow in parts of the dry US Plains growing region.

"We're having a feeding frenzy today, but really it's just a continuation of the bull market," said Alfred Goldman, the technical analyst at AG Edwards & Sons in St. Louis. "Concerns about the Fed were reduced. Concerns about inflation were reduced."

The Dow Jones industrial average DJI was up a solid 247.12 points, or 2.24 per cent, at 11,286.18, with strong gains in banking and technology issues.

The Dow set its eighth-highest single day point gain ever, and during the session flirted with its record high close of 11,326.04 set on Aug. 25. For the week, it was up 297.27 points.

The broader gauge of the Standard & Poor's 500 index, SPX jumped 24.26 points, or 1.72 per cent, to 1,433.30 surpassing its Nov 18 record close of 1,424.94. For the week, it was up 16.68 points.

The technology-heavy Nasdaq composite index, IXIC set another record high for the second consecutive session.

## SWIFT training begins at AB Bank academy

A training programme of SWIFT (Society for Worldwide Inter-Bank Financial Telecommunication) Users' Group began at the training academy of Arab Bangladesh Bank Limited at its Head Office in Dhaka, says a press release.

The Training Programme started on November 27 and will conclude on December 6.

So far, a total of seven commercial banks have participated in the training programme while nine other banks have enlisted their names as the member of SWIFT Users' Group in Bangladesh.

This is the first time in Bangladesh that all sorts of fund transfers, information communication, business proposals etc. will be communicated through SWIFT mechanism all over the world.

A total of 29 participants from seven commercial banks are taking part in the workshop.

Debbie YS Lee, an expert and Senior Education Specialist of the Office of the Society for Worldwide Inter-Bank Financial Telecommunication of Hongkong, is the only instructor of the session. The programme was inaugurated by MA Awan, former DMD of Arab Bangladesh Bank Limited and Chairman of SWIFT Users' Group in Bangladesh, while CM Koyes Sami, DMD who is also In-charge of International and IT Division spoke on the occasion and pointed out the arrangement as a milestone for Information Technology arena in Bangladesh suited for the next millennium.

Abu Haniff Khan, DMD and Mahmud ur Rahman, Vice President of Arab Bangladesh Bank Limited attended the function as guests.

Ashrafullah, Executive Secretary of Bangladesh Foreign Exchange Dealers' Association (BAFEDA), is the Chief Coordinator of the session who is assisted by Iftekhar Ahmed, Officer, International Division, Head Office, ABBL.

## Rouble slides despite central bank support

MOSCOW, Dec 4: The Russian rouble sank against the dollar yesterday after staging a brief recovery in the previous session, although the central bank intervened to keep the rate above this week's record low, dealers said, reports Reuters.

The rouble averaged 26.7408 in the morning unified trading session of eight exchanges after a previous 26.6796. The central bank set its official next day exchange rate FXSU at 26.74 roubles per dollar after a previous 26.68. "Only the central bank's presence supported the market and held the dollar from rising further," Alexander Timofeyev, Mosnaftekhimbank resource management department head, said.

Dealers said the central bank apparently sold about \$40-50 million at 26.75-26.77 roubles per dollar.

The central bank wants to save its reserves and is allowing the rouble to slide gradually. Its reserves are not big enough to intervene heavily in the market," Timofeyev said.

The central bank said on Thursday its gold and foreign exchange reserves fell to \$11.6 billion on November 26 from \$11.8 billion on November 19.

The rouble sank to a record low of 26.75 per dollar on Wednesday as the central bank withdrew from the market in a bid to save its gold and foreign exchange reserves ahead of foreign debt payments.

It has promised to let the rouble depreciate in line with inflation, repeatedly signalling its determination to control any declines.

Timofeyev said the rouble could fall further in afternoon trade and may hit a new low on Monday before rebounding. "The rate of 26.80 (roubles per dollar) can be a level where the central bank will stop on Monday. Then we may roll back to 26.70," Timofeyev said.

## China for keeping issue off WTO agenda

## Labour proposal draws howls of 'No' from developing world

SEATTLE (Washington), Dec 4: A compromise proposal on the thorny issue of labour rights has failed to shake developing countries' resolve to keep the issue off the WTO agenda, the Japanese delegation spokesman said yesterday, reports AFP.

The developing countries are reacting negatively to the greatly watered-down proposal for an informal standing forum on the issue, he said, citing discussions during an informal meeting here.

"There are saying that the issue of labour standards was finalised at the end of the Singapore conference," he said in a reference to the World Trade Organisation's first ministerial meeting in 1996.

Developing nations seemed firmly against any re-opening of the issue, he added.

The comments signal failure of the attempts to forge a com-

promise on the issue of whether labour rights should be included in the World Trade Organisation's ambit.

But delegates said negotiations on the issue appeared to be complex and still in motion.

"One thing is clear — the US has backed away from its working group," an Australian delegate said, referring to Washington's abandoned demand for a fully empowered WTO group to draw up global "core" standards for labour rights.

The United States had been pushing to include the standards in a new round of world trade liberalisation talks, charging that some countries enjoy advantages like low wages on the global market because their laws tolerate exploitative labour practices.

"Ensuring the rights, the basic rights, of labour is central to our mission here in Seattle,"

President Bill Clinton said during his visit to the conference site.

But such initiatives, backed by industrialised countries including the European Union, have been viewed by the developing world as an excuse for renewed protectionism.

Critics say the WTO should leave the issue to the International Labour Organisation (ILO).

But latest compromise text — put forward by the US and the chairman of the relevant working group, Costa Rican Vice Trade Minister Anabel Gonzalez — stressed that the forum would be totally informal and open to participation by the ILO, the World Bank and the UN Conference on Trade and Development.

Tokyo originally opposed WTO linkage of trade and labour, but the spokesman said if the forum would be linked to

the ILO, "then it is worth serious consideration."

"My assessment is the new proposal is an interesting idea from the Japanese standpoint," he said.

India is viewed as the most outspoken opponent of WTO labour-standard initiatives.

Meanwhile, China has urged the World Trade Organisation to keep the contentious issue of labour rights standards off its agenda and boost the role of developing countries in its "unbalanced" decision making.

Speaking with renewed clout because of the Asian giant's imminent entry as a full member, Trade Minister Shi Guangsheng bluntly warned Washington that Beijing would weigh in against any proposed linkage of labour to trade.

"The new round of multilateral trade negotiations should focus on discussing issues related to trade," he said.



A H M Nazmul Quadir, Executive Vice President of The City Bank Limited, opens the new premises of the bank's Nawabpur Branch yesterday. Md Nurul Akbar Khan and M Shafiqul Alam, Executive Vice Presidents, Mirza Farid Ahmed, Vice President, Md Tahir-uz-Jamil, Manager of the branch, and Sk. Monirul Islam, Officer of the Development Department, are also seen in the picture

—City Bank photo

## Developing states threaten to scupper WTO deal

SEATTLE (Washington), Dec 4:

Latin American, Caribbean and African countries yesterday threatened to refuse to sign on to a new round of global free trade talks unless they were fully involved in the negotiations, reports AFP.

"As long as conditions of transparency, openness and participation" do not exist for all members "we will not join the consensus required to meet the objectives of this ministerial conference," Latin American and English-speaking Caribbean countries said in a statement.

Their stance echoed a statement overnight from the 53 members of the Organisation of African Unity.

The OAU also complained that they were being excluded and said under the present circumstances, we will not be able to join the consensus required to meet the objectives of the ministerial conference.

Ministers from the 135-member World Trade Organisation were still far from agreement on the text of a final declaration agreeing to launch a new global trade round by early

afternoon Friday, the scheduled last day of a four-day conference here.

Developing nations have become increasingly exasperated over the four days at what they say is the refusal of the industrial world to treat them as equal partners in the process.

As negotiations went down to the wire on Friday, discussions went into the "green room" format, where 25 ministers rather than all 135 try to reach progress on the most difficult issues, excluding the majority of developing countries from the process.

The statement also criticised the United States, as host country for the meeting, for its failure to deal with mass protests that delayed the opening of the conference on Tuesday amid pitched battles between police and demonstrators on the streets of downtown Seattle.

The Latin American and Caribbean countries "expressed their profound surprise and resulting anger at the organisation and lack of concern for providing the high dignitaries and delegates attending this ministerial conference with

minimum conditions of security," the statement said.

They also condemned the host country for "allowing, in some cases, physical and verbal aggressions against its distinguished guests."

But the service industries — like banking, insurance and telecommunications — then only slowly emerging as a major powerhouse in the global economy, was perhaps the biggest breakthrough.

"The problem was," says David Woods, a former British civil servant who was at the time chief spokesman for the GATT and now runs an influential trade newsletter from Geneva, "that none of us had really defined what services were."

Over the second half of the 1980s, negotiators at GATT headquarters in the Swiss city expanded their understanding of this and other new issues that had only scantly mentioned in the Punta del Este declaration.

In December 1989 progress had appeared enough to call ministers to Brussels to wrap up the round.

## Pakistan discusses economic policy with IMF team

ISLAMABAD, Dec 4:

Pakistan's Finance Minister, Shaukat Aziz, said today a visiting IMF team discussed the goals of the new military-led government, which is seeking to revive a stalled \$1.56 billion loan programme, reports Reuters.

The IMF came to understand the economic thinking of the new government and to know the new economic team," he told reporters after meeting members of the Islamabad Stock Exchange.

Aziz gave no other details about the two-day meetings with Paul Chabrier, the IMF director for the Middle East, who received detailed briefings from different officials.

Officials were tightlipped about the talks, which signal

western donor willingness to work with Musharraf, who overthrew Prime Minister Nawaz Sharif in a military coup on October 12.

Officials have said that success at the talks for Pakistan might mean that another IMF team would follow Chabrier to discuss in detail the stalled \$1.56 billion loan programme and release a delayed tranche of \$280 million.

Musharraf says economic revival and reform are his top priority and is due to announce his economic agenda — being prepared by a group of experts — on December 15.

Aziz said priority areas for the government were restoring investor confidence and agricultural growth. "Our focus will

be on agriculture, which can become an engine of growth."

Experts at the government-appointed Economic Advisory Board say that the new government should make agriculture the fulcrum of revival because it can bring immediate financial returns to the government and farmers.

At present some 21.59 million hectares is farmed and 70 per cent of Pakistan's 134 million people are linked to the sector.

Aziz said the government was also considering a previous proposal to switch thermal power generation to gas from imported furnace oil to lessen the country's import bill and to resolve the tariff row with independent power producers (IPPs).



Mohd Sajidul Haq, Managing Director of NCC Bank Ltd, addresses the Dhaka city Branch Managers' meeting at its head office. Kazi Kabir Ahmed, Akkas Ali Khan and Kazi Md Shafiqur Rahman, Executive Vice Presidents, were present.

—NCCBL photo

## NCCBL Dhaka city managers' meet held

The managers' meeting of NCC Bank Ltd was held on Thursday at its Head Office. Mohd Sajidul Haq, Managing Director of NCCBL presided over the meeting.

The newly appointed Executive Vice President Kazi Md Shafiqur Rahman was introduced to the managers and executives.

Mohd Sajidul Haq expressed his satisfaction over the performance of the bank in the last 11 months. He assessed the overall position of different branches and advised the managers to work hard for achievement of the annual targets of their respective branches.

## European political strains weighing euro down'

VIENNA, Dec 4: Austrian central bank chief Klaus Liebscher said on Friday a decline in political consensus among EU governments since the launch of European monetary union in January was contributing to the euro's fall on currency markets, reports Reuters.

Liebscher, a member of the European Central Bank council, also urged Austria's political leaders to form a new government rapidly to pursue structural reforms and rein in the country's budget deficit.

The fall in the euro, which sank below parity with the dol-

lar overnight and was hovering just above lifetime lows, reflected economic divergence between the 11-nation euro-zone and the United States but other factors were playing a part.

Financial markets were reacting to a perceived decline in political consensus among European governments since the currency was launched on January 1.

It is clear that in the run up to EMU there was enormous political cohesion among governments," Liebscher told reporters. "Certainly much of that has been exposed to negative psychological signals" in the form of recent German government intervention in business.

Euro-zone governments also needed to pursue more vigorously reforms.

He cited the EU's lengthy debate about a package of tax coordination measures, which has been held up by opposition from Britain to a proposed EU-wide withholding tax, and which will be the subject of intense discussion at an EU summit meeting later this month in Helsinki.

Liebscher said on Monday that markets had been exposed to negative psychological signals" in the form of recent German government intervention in business.

Employment in the natural resource industries — forestry, fishing, mining, oil and gas — rose by 10,700 in November, while utilities employment fell by about 13,700.

Manufacturing jobs, often

considered a bellwether of the economy, slumped by 22,100, partly offsetting October's 55,000 increase.

Jeffrey Cheah, financial market analyst at Standard & Poor's MMS in Toronto, downplayed the sector's decline.

Manufacturing numbers

showed a slight pullback, but

through most of this year, the manufacturing trend has been going up. In fact, nearly two-thirds of the job creation this year came from the manufacturing sector," he said.

The full-time employment trend is going up. That suggests that the economy will continue to expand at a robust pace. Overall it's a strong number," Cheah added.

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