

# US urges Europe, Japan to help boost world trade

## They are not doing enough for even global growth, says Summers

WASHINGTON, Apr 11: Despite their best efforts to ensure a more robust economic recovery, Europe and Japan are still not doing enough to help balance uneven global growth, US Treasury Secretary Lawrence Summers said yesterday, Reuters.

Setting the tone for a meeting of finance officials from the world's key industrial nations later this week, Summers complained the United States still was by far the most dynamic and efficient of the world's top economies.

will be high on the agenda when finance ministers and central bankers from the Group of Seven nations — Britain, Canada, France, Germany, Italy, Japan, and the United States — meet in Washington on Saturday.

Using blunt language, Summers said Japan's weak economy "Continues to be a concern," noting that it was "far from clear" that a sustained recovery had been achieved following years of stagnation in the world's number-two economy.

"Japan needs to use all the tools of macroeconomic and structural policy to support demand until a self-sustaining recovery in domestic demand is assured," he said.

Japan's economy is expected to return to modest growth this year after slipping back into recession in the second half of 1999, but Washington is worried that Tokyo has set its sights too low by not aiming at

a growth rate that is high enough.

Summers also urged Europe's leaders not to settle for less than what they could reasonably achieve.

"Europe's leaders are right to see important obstacles in the path of more durable rapid growth, and to see structural reforms as crucial to overcoming them," he said.

Stronger growth in Europe and Japan was also key for reducing the large US trade deficit, which could eventually give rise to protectionist pressures within the United States.

Summers noted that while the deficit posed no "immediate threat" to the booming US economy, it was "not something that can be sustained indefinitely."

On the other side of the coin, Summers said it was crucial to raise the US savings rate and preserve the government's fiscal discipline to help pay for

growing rates of investment.

Borrowing a line from US Federal Reserve Chairman Alan Greenspan, Summers also warned domestic investors not to rely on gains in US stock prices to continue indefinitely.

"Some part of our apparent strength in our economy may come from the wealth effects of an exceptional period of rising equity prices, which may not be fully explained by the rise in productivity and estimates of future earnings," he said.

Greenspan has blamed rising asset prices for fuelling demand to a point where supply cannot keep pace, risking higher inflation and threatening the record-breaking US expansion.

Summers also repeated that it was crucial for Congress to back a key trade deal with China and grant the country permanent normal trade relations status to ease its accession into the World Trade Organisation.

## Asian financial crisis

# Stiglitz accuses IMF of ignoring advice

WASHINGTON, Apr 11: An arrogant International Monetary Fund refused to listen to advice as Asia's financial crisis unfolded and must heed the message from protesters in Washington this week, a former top World Bank official said, reports Reuters.

Former chief economist Joseph Stiglitz, writing in the April 17 edition of New Republic magazine, said he was appalled at how the IMF and the US Treasury had responded to the world economic crisis of 1997-99.

"If the people we entrust to manage the global economy — in the IMF and in the Treasury Department — don't begin a dialogue and take criticisms to heart, things will continue to go very, very wrong," he wrote.

Stiglitz, a colourful and controversial figure, has long been critical of the international response to the financial crisis, which started in Thailand in the summer of 1997 and spread relentlessly around the globe.

He says the IMF was wrong to tell Asian countries to rein in spending at the start of the crisis,

and was foolish to foist reforms on Russia without first ensuring that the infrastructure was there to make sure the reforms would work.

But the New Republic article expanded on these views, accusing the IMF of ignoring advice from outsiders and criticising the calibre of IMF staff.

"The IMF likes to go about its business without outsiders asking too many questions," Stiglitz wrote.

"IMF experts believe they are brighter, more educated, and less politically motivated than the economists in the countries they visit. In fact, the economic leaders from those countries are pretty good — in many cases brighter or better-educated than the IMF staff, which frequently consists of third-rank students from first-rate universities."

The article appeared at the start of a planned week of protests that the IMF and the World Bank ignore the needs of the poor in their lending and their policy recommendations.

The main events are scheduled for Sunday and Monday, when protesters vow to bring Washington grinding to a halt.

# Clinton warned on deal with Democrats on China pact

## 'Move may undermine Republican support'

WASHINGTON, Apr 11: The Chairman of the powerful US House of Representatives Ways and Means Committee warned President Bill Clinton yesterday that efforts to strike a deal with Democrats on a trade agreement with China could undermine Republican support for the market-opening pact, says Reuters.

The comments by Texas Republican Representative Bill Archer came as the White House stepped up negotiations with key Democrats over side legislation that would make the trade pact more palatable to members of Clinton's own party.

The side legislation, proposed by Michigan Democratic Representative Sander Levin, would set up a watchdog commission to review Chinese policies and could recommend

sanctions against Beijing as long as they were consistent with World Trade Organisation (WTO) rules.

But Archer said the strategy could backfire. "By appealing to particular interests, some of these efforts may divide our supporters and make passage ... more difficult," he said.

White House economic adviser Gene Sperling said Clinton was still weighing his options, but would accept only a side agreement that bolsters support for the market-opening pact.

Clinton is expected to meet with his top national security advisers on Tuesday to plot strategy for making a security argument in selling the trade legislation.

White House spokesman Jake Stewart said there is a re-

ceptive audience among some lawmakers for the administration's view that the China trade legislation would be crucial to US security relationships in East Asia over the next 25 years.

The trade agreement, which would pave the way for China's entry into the Geneva-based WTO, calls on Beijing to open a wide range of markets, from agriculture to telecommunications.

In exchange for China's opening of its markets, Clinton says Congress must grant Beijing permanent normal trade relations — a status that would guarantee Chinese goods the same low-tariff access to US markets as products from nearly every other nation.

Senate support is virtually assured. But permanent normal trade relations status faces stiff

opposition in the House from Democrats, who have demanded that China improve human rights and labour standards before joining the WTO.

To shore up Democratic support, the Clinton administration is looking to Levin, the ranking Democrat on the Ways and Means subcommittee on trade and sponsor of the proposed side agreement.

Another report says, the 550,000-member Sierra Club environmental group said yesterday it would oppose President Bill Clinton's market-opening trade pact with China, joining forces with organised labour.

The announcement pitted the nation's largest grass-roots environmental organisation against Vice President Al Gore ahead of the November election.



M Mokammel Haque, Chairman of the Board of Investment, formally inaugurates the Premium Banking suite of ANZ Grindlays Bank at its Dhanmondi branch, Muhammad A Ali, General Manager and Country Head, ANZ Grindlays Bank, and Tamara Rahman Ali are also seen in the picture.

— ANZ Grindlays photo

## Exchange Rates

Table with columns: Currency, Selling TT & OD, Selling BC, Buying Clean, Buying 90 Day Export Bill, Buying 90 Day Transfer. Lists rates for US Dollar, Pound Sterling, Deutsche Mark, Swiss Franc, Japanese Yen, etc.

Table with columns: TT Doc, 30 Days, 60 Days, 90 Days, 120 Days, 180 Days. Lists bill buying rates for various currencies.

Table with columns: Buying (\$), Selling (\$), Currency, 1 Month, 3 Months, 6 Months, 9 Months, 12 Months. Lists London Interbank Offered Rate (LIBOR).

Amex notes on Wednesday's market. The interbank USD/BOT market was active on Tuesday. Average USD/BOT rates traded between 51.1500-51.1550.

## Shipping Intelligence

### Chittagong port

Table with columns: Berth No, Name of vessels, Cargo, L port call, Local agent, Arrival date, Leaving date. Lists shipping schedules for various vessels.

### Vessels due at outer anchorage

Table with columns: Name of vessels, Date of arrival, L port call, Local agent, Cargo, Loading port. Lists vessels due at outer anchorage.

### Tanker due

Table with columns: Name of vessels, Cargo, L port call, Local agent, Date of arrival. Lists tankers due.

### Vessels at Kutubdia

Table with columns: Name of vessels, Cargo, L port call, Local agent, Date of arrival. Lists vessels at Kutubdia.

### Vessels at outer anchorage (vessels ready)

Table with columns: Name of vessels, Cargo, L port call, Local agent, Date of arrival. Lists vessels at outer anchorage ready.

### Vessels awaiting instruction

Table with columns: Name of vessels, Cargo, L port call, Local agent, Date of arrival. Lists vessels awaiting instruction.

### Vessels not entering

Table with columns: Name of vessels, Cargo, L port call, Local agent, Date of arrival. Lists vessels not entering.

### Movement of vessels for 12.4.2000

Table with columns: Outgoing, Incoming, Shifting. Lists vessel movements for 12.4.2000.

Government of the People's Republic of Bangladesh. Office of the Executive Engineer, R&H, Road Division, Natore. Roads & Highways Department Tender Invitation Notice. No. 11-NRD/99-2000. Details of tender for road embankment work.

Government of Bangladesh. Office of the Executive Engineer, PWD Division, Chuadanga. PWD Notice Inviting Tender. No. 13 Chua/1999-2000 Eng. Details of tender for road work.

ANZ Grindlays opens Premium Banking. ANZ Grindlays Bank has launched Premium Banking. Chairman of the Board of Investment, M Mokammel Haque, opened the Premium Banking suite at the bank's Dhanmondi branch.

FDI rebounds in China. BAGHDAD, Apr 11: Turkey is preparing to hold a trade fair in Baghdad next week, with 65 companies showing food products and household appliances.