

# OECD vows to improve access to banking information

Focus on outlawing anonymous accounts

PARIS, Apr 13: OECD member countries pledged yesterday to try and improve access to banking information and to outlaw anonymous accounts, backing a report warning that secrecy laws foster tax evasion as cross-border capital flows increase, says Reuters.

The report, endorsed by all 29 countries of the Paris-based Organisation for Economic Co-operation and Development, including all 15 European Union states and Switzerland, aims for better cooperation in tracking cross-border income within three years.

It seeks to ban anonymous bank accounts, which exist in two OECD states — Austria and the Czech Republic — and advocates members change laws where needed to let tax authorities access banking details and pass them to foreign tax bodies on request.

While the measures are non-binding, Austria has already committed to abolish anonymous bank accounts and other members have vowed to discuss how they could comply without undermining banking privacy rules, OECD officials told a

news conference. "Bank secrecy towards governments, including tax authorities, may enable taxpayers to hide illegal activities and to escape the taxes established by their parliaments," OECD Fiscal Affairs Committee Chairman Gabriel Makhlouf said.

"While taxpayers operate in an increasingly borderless world, tax authorities must continue to observe national boundaries. Enhanced international cooperation is necessary for effective application of tax laws in this new environment."

The report came amid a deadlock over a proposed EU savings tax aimed at curbing tax evasion, with resistance from Britain over cost and objections from Germany, Austria and Luxembourg that it would violate their bank secrecy laws.

Makhlouf said the OECD report would not directly affect that debate as it concerned giving tax authorities limited power to their tax inquiries whereas the EU is seeking to establish an automatic exchange of information.

The OECD said technological advances and liberalisation of capital flows made it easier than ever for tax revenue to fall through the cracks as more taxpayers stashed money abroad.

"The potential for abuse has increased exponentially as traditional sources of information on these transactions, like exchange controls, have been removed," it said. "Tax authorities are concerned the number of 'disappearing taxpayers' will grow."

The report enshrined an unprecedented unanimous commitment by members of the economic think-tank to eliminate laws that can protect criminals storing money in foreign or offshore accounts.

A 1985 report on the same theme was not backed unanimously. Switzerland's support for the new measures is notable, given it has some of the most stringent bank secrecy laws in Europe.

Luxembourg is also a key signatory. It is the only OECD country where bank information can be obtained only by judicial authorities where they

suspect fraud, and not by tax officials.

"What is important is that we have a consensus to explore these issues and have a dialogue which will lead to results," Makhlouf said. "Switzerland, like the other 28 members, has agreed to participate in dialogue which is the key thing."

He stressed that the report did not seek to scrap secrecy laws, and underlined the need to protect the confidentiality of financial affairs outside of tax inspections.

He also noted that it did not extend to the routine exchange of information and would not give tax authorities the power to "fish for information" that was not linked to their inquiries.

Swiss bankers in Bern said that given the report contained no punitive sanctions, it would not mean major changes for their clients nor undermine the country's stiff banking secrecy rules.

In Switzerland, as in Luxembourg and Austria, the identity behind the famed numbered accounts which figure in countless spy thrillers is known to the bank holding the account.

## Business Briefs

### Sharp rise in S'pore shipping traffic

SINGAPORE, Apr 13: Stronger economic growth in Asia and lagging effects from the century date change helped boost traffic at the Port of Singapore Authority Corporation's port operations by 15.4 per cent in the first quarter compared with a year earlier, the company said Thursday.

The surge was capped by record volume in March as PSA, Singapore's government-owned port authority, handled 1.5 million twenty-foot equivalent units, or TEUs. That was the highest monthly volume for any container port operator in the world, the company said. Twenty-foot (6-meter) shipping containers are used to measure port traffic.

But the sharp increase in shipping traffic is not expected to continue, PSA Chairman Yeo Ning Hong said at the company's annual meeting.

"I'll be happy if we see 10 per cent growth this year," he said. Shipping volume increased 5.3 per cent in 1999.

### China strikes WTO pact with Malaysia

BEIJING: China and Malaysia have signed an agreement on China's entry into the World Trade Organisation, leaving just seven WTO members who have yet to approve China's bid to join the trade group.

The agreement was signed Wednesday in Malaysia by China's trade minister, Shi Guangsheng, and his Malaysian counterpart, Rafidah Aziz, the state-run Xinhua News Agency said.

China still requires agreements with the European Union, Costa Rica, Ecuador, Guatemala, Latvia, Mexico and Switzerland before it can join the group that makes rules for world trade.

China hopes to join this year after 14 years of trying.

### Seagate revenue hits all-time high

SINGAPORE: Seagate Technology said Thursday that its third quarter revenue from the Asia-Pacific region reached an all-time high of 30 per cent of total revenue, breaking the previous high of 25 per cent in the December quarter.

The disk-drive maker's revenue for the third quarter ended March 31 was US \$1.57 billion, down 13 per cent from a year ago.

Chief financial officer Charles Pope, however, said expected healthy sales in North America for the fourth quarter would overshadow any further rise in percentage terms for the Asia Pacific.

"On an absolute basis, it will continue to grow," he said referring to Asia-Pacific sales.

### eTrade reports operating profit

MENLO PARK, Apr 13: Online brokerage eTrade Group Inc. reported an operating profit in its fiscal second quarter even though it had a net loss due to merger costs and other charges.

The company recorded a \$1.3 million profit from ongoing operations in the three months ended March 31, versus a \$13.3 million operating loss in the same period last year.

Including charges and other costs related primarily to mergers, eTrade registered a net loss of \$23.2 million, or 8 cents per share, during the quarter. The company reported net earnings of \$8.5 million, or 3 cents per share, in the same period in 1999.

Analysts surveyed by First Call/Thompson Financial had forecast a net loss of 6 cents per share.

eTrade benefited from a wave of individual investors opening online accounts to buy and sell stocks.

Source: AP

## Japan to seek more voting power for Asia in IMF

TOKYO, Apr 13: Japan will seek a redistribution of voting power within the International Monetary Fund (IMF) at key international meetings this weekend, reports Reuters.

It wants voting in the fund to better reflect the economic power of Asia, which it sees as under-represented in the IMF's shareholder structure.

Japan's top financial diplomat, Haruhiko Kuroda, said the IMF's current quota distribution voting rights and representation for Asia on its board is limited despite the increased importance of Asian economies.

"To make the IMF more legitimate as a global institution, it needs to have representation that reflects economic growth (of member countries). That's indispensable for the IMF to do its job well," he told Reuters in an interview on Wednesday.

"I will keep pressing the issue," said Kuroda, who is vice finance minister for international affairs. Japan is to take up the issue at a meeting of

Group of Seven (G7) finance ministers and central bankers on Saturday and at the International Monetary and Financial Committee on Sunday.

So far Japan has not proposed any specific new figure for Asian voting power.

Members of the IMF's 24-member Executive Board have voting rights intended to reflect economic power, with some so-called "constituencies" of countries represented by a single board member. Japan, the world's second-largest economy, now has six per cent of the vote and other parts of Asia some 11 per cent.

Europe has 37 per cent and the United States 17 per cent. Kuroda said the focus of the weekend meetings was to make further progress in discussions to reform the Washington-based lender to better reflect changes in the global economy.

He does not expect conclusions this weekend on all the reform proposals on the agenda, but hopes to see most of them carried out by the time Japan hosts a Group of Eight

summit in July.

Kuroda said he hoped the G7 nations would endorse recent recommendations by the Financial Stability Forum, such as a call for more public disclosure by highly leveraged financial institutions, including unregulated hedge funds.

The forum was set up by the G7 early last year to promote soundness in world markets and the banking system after financial turmoil in Asia and Russia and market turbulence caused by the near-collapse of a US hedge fund.

Kuroda also said the IMF should be reformed to more closely monitor the huge, abrupt capital flows that may in Asia blame for the region's financial crisis that began in July 1997.

As a way to improve the IMF's functions to better reflect developments in the global economy, Kuroda said the IMF should streamline its lending facilities, including scrapping those that were no longer needed.

## West's version of globalisation blasted

### Capital flow 'new gunship' of the rich: Mahathir

HAVANA, Apr 13: Malaysian Prime Minister Mahathir Mohammad on Wednesday denounced the developed world for trying to impose its own version of globalisation upon the poor, calling capital flows "the new gunship of the rich," reports AP.

"We see them foisting on the world their moral values, their political systems and now economic globalisation," complained Mahathir, who has frequently clashed with Western critics of his government.

"The South has no choice but to react to their interpretations," Mahathir addressed the opening session of the Group of 77 summit, a gathering of leaders from throughout the developing world who were calling for a greater share of the globe's wealth and power for their largely impoverished populations.

"We had welcomed globalisation, believing that foreign capital, know-how and so on would help our economies to grow," he said.

Then East Asia's rogue currency traders demonstrated that simply by devaluing our currencies they can make the so-called East Asian economic tigers suddenly into mewing cats.

"Millions were thrown out of work and made destitute," he added, referring to Asia's recent economic crisis. "The international economic institutions moved in ostensibly to help with loans but in reality to facilitate the takeover of the country's economy and even politics."

He said the problems were created "because the rich interpret globalisation as the right of capital to cross and recross borders at will. Capital is the new gunship of the rich."

"By coming in with short-term investments, they create an illusion of wealth. Once that has happened, they merely have to pull out their capital in order to impoverish and weaken their victims and force them to submit to foreign dictates," Mahathir added.

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Swipes were also taken at the IMF, which has attempted to soften its image in the past couple of years after accusations

that it was too focused on economics at the expense of people.

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Another story spoke about plans for an international mega-merger, of Brazil and Argentina — Brzentina.

"The new country, Brzentina, will be governed by a Board of Directors composed of the four richest citizens from each ex-nation, with Brazilian television star Xuxa acting as tie-breaker and ombudsman."

Wolfensohn quits, it says

WASHINGTON, Apr 13: A spoof newspaper tried to fool readers yesterday that World Bank head James Wolfensohn resigned in a "last ditch effort to avoid hell" as US Treasury Secretary Lawrence Summers danced in his praise, reports Reuters.

Such was the news from fit to print in "The Washington Post," a send up of the Washington Post, put out by organisers arranging mass demonstrations this week in Washington against the World Bank and International Monetary Fund.

The one-sheet "newspaper" also featured a photo of a pie-plattered former IMF chief Michel Camdessus with the caption, "Former IMF head Michel Camdessus after violently attacking a protester's pie with his face."

Organisers are planning to attract more than 10,000 people on Sunday for a massive rally to protest the IMF and World Bank — organisations they believe are behind the push towards and increasingly global economy.

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Currently on a world tour as the "Pennsylvania Ambassador for Love, Peace, Fun, and Curing Cystic Fibrosis," Emirati furry passenger, Burke P Bear, gets the VIB (very important bear) treatment on board, with a special pot of honey from new cabin crew members (clockwise from top left) Claire Wright, Kirsten McColl and Elisa Ricci, Rebecca Rees and Amanda Jones. Burke is one of the Boyds Bears Collection, named after teddy bear collector Burke Derr, who died in 1997 of Cystic Fibrosis (CF), the most common fatal genetic disease of childhood, affecting the lungs and digestive system. The travelling teddy is a major part of the Pennsylvania Cystic Fibrosis Inc's "Million Dollar Bear" campaign to raise US \$1 million for CF research by the end of 2000 — the year Burke would have graduated from college. His tour is taking him to each state in the US and around the world.

— Emirates photo

## Oil shrugs off US stocks data

LONDON, Apr 13: World oil prices steamed higher yesterday, stemming recent losses and shrugging off an increase in fuel stockpiles in the United States, says Reuters.

North Sea benchmark Brent Blend futures for May delivery were last traded at \$23.12, up \$1.45 cents a barrel on London's International Petroleum Exchange.

In the United States, NYMEX May crude futures advanced \$1.27 to end at \$25.41.

The gains followed a slide of almost \$4 since a decision in late March by the Organisation of Petroleum Exporting Countries (OPEC) to raise production in the second quarter.

Sentiment found support

from comments by Venezuelan Energy and Mines Minister Ali Rodriguez that OPEC could alter its production levels before it meets in June if the 20-day average price of its crude oil basket moves outside the target \$22-\$28 range.

The basket price stood at \$21.35 per barrel on Tuesday, up from Monday's \$20.99, but still below the cartel's lower limit.

Talking to foreign reporters, Rodriguez, currently OPEC president, said it was too early to assess OPEC's March decision to increase production and adopt the price band mechanism, but added that he was not worried by the current price of oil.

## Fear of co's revenue shortfall

### Microsoft shares battered

SEATTLE, Apr 13: Shares of Microsoft Corp. fell 5 per cent Wednesday after a top analyst said the software company's earnings would be affected by low demand for personal computers, says AP.

Sherlund, an analyst for Goldman, Sachs and Co., issued a report early Wednesday indicating he was lowering his prediction for Microsoft's third-quarter revenue based on sluggish corporate PC sales.

"We don't have a real clear picture of March (PC sales)," Sherlund said. "Right now, it looks like it wasn't quite as good as we hoped for, and that hurts Microsoft."

Redmond-based Microsoft, which is a component of the Dow Jones industrial average, the Nasdaq composite index and the S-and-P 500, fell \$4.50 to finish regular trading on the Nasdaq Stock Market at \$79.37 1/2.

Shares of Microsoft have tumbled 25 per cent since April 3, when a federal judge ruled that Microsoft violated antitrust law. Its 52-week low is \$75.30, which it hit last May, and it's well off its 52-week high of \$119.93 3/4.

Sherlund said concerns over the Year 2000 problem kept

companies from purchasing a steady stream of new PCs. Microsoft earns license fees for every PC sold with a Windows operation system, and Windows comes installed on the vast majority of new computers.

"PC growth was very sluggish in November through February, and while it reaccelerated in March, it does not appear to have occurred fast enough," Sherlund wrote in his report.

Sherlund reduced his revenue estimate for the quarter to \$5.75 billion, down from \$5.95 billion. That still represents an increase of \$1.42 billion, or 33 per cent, from the \$4.33 billion earned in their year-ago period.

The consensus estimates for Microsoft's earnings per share is 41 cents, up 6 cents from reported earnings a year ago, First Call/Thomson Financial reported. Sherlund said reduced revenue might knock 2 cents per share of that estimate, but added that Microsoft's investment portfolio could make up the difference.

No other analysts have reduced their expectations for the company's third-quarter performance. Eleven analysts surveyed by First Call/Thomson Financial continue to rate Microsoft as a "Strong Buy" and 17 others as a "moderate buy."

## 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	51.2300	51.2700	50.8100	50.5570	50.5550
Pound Sgd	81.6760	81.7396	80.4576	80.2154	80.1013
Deutsche Mark	25.4732	25.4931	24.4745	24.4009	24.3662
Swiss Franc	31.3679	31.3924	30.7158	30.6233	30.5797
Japanese Yen	0.4863	0.4867	0.4777	0.4762	0.4756
Dutch Guilder	22.6079	22.6255	21.7216	21.6562	21.6254
Danish Krona	6.6291	6.6342	6.4882	6.4657	6.4555
Australian \$	31.2452	31.2696	29.9474	29.8572	29.8148
Belgian Franc	1.2250	1.2260	1.1866	1.1830	1.1814
Canadian \$	35.3994	35.4270	34.729	34.2684	34.2207
French Franc	7.5952	7.6011	7.2974	7.2755	7.2651
Hong Kong \$	6.5912	6.5963	6.5116	6.4920	6.4828
Italian Lira	0.0027	0.0028	0.0247	0.0246	0.0246
Norway Krone	6.0370	6.0417	5.9406	5.9227	5.9143
Singapore \$	30.1672	30.1906	29.2146	29.1266	29.0662
Saudi Rial	13.6668	13.7075	13.5111	13.4705	13.4513
UAE Dirham	13.9966	13.9975	13.7958	13.7543	13.7347
Swedish Krona	5.9040	5.9067	5.8308	5.8132	5.8050
Qatari Riyal	14.1129	14.1240	13.9167	13.8748	13.8551
Kuwaiti Dinar	172.9874	173.0224	160.5777	160.0942	159.8666
Thai Baht	1.3533	1.3544	1.3401	1.3361	1.3342
Euro	49.8212	49.8601	47.6681	47.7240	47.6551

Bill buying rates					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.7112	50.3866	49.9532	49.5336	49.1163	48.2655

US dollar London Interbank Offered Rate (LIBOR)					
Buying (\$)	Selling (\$)	Currency	1 Month	3 Months	6 Months
50.5850	51.2300	USD	6.13000	6.26125	6.51125
80.0103	81.5684	GBP	6.98875	6.25	6.44301
Cash/TC	Cash/TC	EURO	3.7838	3.92	4.07375
					4.24438

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.64/43.645	51.88/51.91	37.85/37.88	3.7995/3.8005	7605/7615	11067/11077

Amex notes on Thursday's market  
The interbank USD/BDT market was stable on Thursday. Average USD/BDT rate traded between 51.500-51.1550. Interbank call money market was moderately active. Average call rates ranged between 5.75 and 6.25 per cent today like yesterday.

The international currency market was largely subdued today. The Euro has moved lower against the dollar and yen and speculation that the ECB will not hike euro rates to support the single currency. Good economic data on German consumer price has failed to boost the euro and analysts commented that euro may weaken further against the dollar. Yen moved beyond 106, then settled below 106 for the most of the day. Dealers speculated that Japan would not discuss options for curbing the current yen strength in the coming G7 meeting. Sterling had pushed up beyond 1.5900 before drifting back below 1.5890.

At around 1050 GMT the exchange rates of major currencies against USD were GBP/USD 1.5894/1.5896, USD/CHF 1.6458/1.6468, USD/JPY 105.80/105.84, EUR/USD 0.9574/0.9579.

## Shipping Intelligence

### Chittagong port

Berth position and performance of vessels as on 12.4.2000

Berth No	Name of vessels	Cargo	Port call	Local agent	Date of arrival	Leaving
J/1	Tae Dong Gang	Sugar(G)	Laem	CCNL	4/4	16/4
J/2	Du Man Gang	Rice(P)	Hochi	Total	4/4	18/4
J/3	Orient Iris (48)	GIL(St.C)	Yang	PHIL	10/4	19/4
J/4	Ocean Prayer	GIL(BT)	BABB	SBS	4/4	19/4
J/5	Sadain Kapitanoglu	Wheat(P)	P.Said	Rainbow	5/4	16/4
J/6	Agia Dynati	Wheat(P)	Hand	Angelica	3/4	21/4
J/7	Pu cheng	Gl	Shang	Bdship	9/4	16/4
J/10	Orient Independence	Cont	P.Kel	Bdship	9/4	13/4
J/11	JAA MI	GIL(O/G/P)	Yang	CROSS	11/4	19/4
J/12	Jaya Mars	Cont	Col	BARDH	7/4	12/4
CCT/1	QC Teal	Cont	Sing	QCSL	12/4	15/4
CCT/2	Chu Hong	Cont	Sing	QCSL	10/4	14/4
CCT/3	Achiever	Cont	Sing	CLA	9/4	14/4
RM/15	Al Muztaba	GIL(BT)	B.Abb	CLB	21/3	12/4
GCJ	Banglar Mont	Bunker	Mong	BSC	19/3	13/4
CSJ	Banglar Kakoli	Repair	-	BSC	R/A	16/4
TSP	Asha Mani	R. Phos	Shen	Seacoast	26/3	13/4
RM/3	Chert Trader	L OLO	Kila	Unique	11/4	12/4
RM/4	Prosperitas	CDSO	Mad	Rainbow	27/3	13/4
DDJ	Banglar Shourabh	Repair	-	BSC	R/A	14/4
DOJ	Sarah-1	Repair	-	SMSL	R/A	13/4
RM/8	Lima-1	Idle	Lapa	Seaglory	20/3	12/4
RM/9	Banglar Robi	Repair	-	BSC	R/A	20/4