G7 growls after years of lethargy

PRAGUE, Sept 24: The Group of Seven has shown its teeth again to global markets after years of being of being derided by critics as an ineffectual talking shop, reports Reuters.

The world's seven most powerful industrialised countries seem to have done more in the past 36 hours than they have managed in at least five years possibly not since the heyday of the informal club in the mid 1980s.

In the past day and a half they have intervened in concert to support the euro, rallied behind US moves to use some of its strategic oil reserves to calm world oil markets and agreed a stern public statement that they will act again to achieve these goals.

Even hardened market speculator George Soros said he was impressed. Speaking of the currency market intervention, he said "It was very well done because it caught the market by surprise. I think it will be successful." Now acutely aware of the speed at which volatile markets can transmit shocks around the globe, the informal club of rich nations looks to have learned lessons from the wave of crises that spread through Asia and the emerging markets in 1997 and 1998. This lesson is act quickly, decisively and together.

On Friday, all G7 central banks intervened in concert to boost he sagging euro on foreign exchanges, stunning markets who had been betting the US would not agree to sell dollars ahead of presidential elections in November.

An agreement between all seven members to intervene on foreign exchange markets has not been seen since 1995 and it is the first time since the informal group of rich countries celebrated "Plaza Accord" in 1985 that there was an agreement to sell US dollars.

It is only the second time since Plaza, the New York hotel where the meeting was held 15 years ago, that the US Federal Reserve has sold dollars.

The second part of the equation was also quickly put into place.

On Friday, the United States announced it would sell some of its strategic oil reserves to help cap soaring oil prices a move which was widely applauded on Saturday by its G7 partners in Prague.

Wary of the risks of inflation, lower growth and domestic political backlashes from higher petrol pump prices there has been growing concern about the impact of decade high oil. Then on Saturday, following a six hour meeting, the finance ministers and central bankers agreed a strongly-worded statement indicating they were ready to act again in the currency markets and continue to would push oil-exporting countries to step up production.

Their communique said the group had agreed to "continue to monitor developments closely and to cooperate in exchange markets as appropriate".

US Treasury Secretary Lawrence Summers said on Saturday that US participation in a global effort to boost the Europe's sagging currency does not conflict with Washington's long standing policy preference for a strong dollar.

"I don't think there is any contradiction," he said.

The conclusion many people have come to is the US has implicitly realised the US dollar is overvalued at present and helping correct this overshoot via G7 intervention does not mean it is adopting a policy of benign neglect of the currency. Peter von Maydell, currency strategist at CSFB in London, said the summit had produced a dramatic result, which reversed the policies which had governed G7 action for a number of years.

"We've reached a level where there is US policy opposition to further dollar gains which is a complete turnaround," said Von Maydell. "They won't say it but they will let the dollar drift lower."

"Now that business confidence indicators show that Europe is growing faster than the US they (G7 ministers) do not want to turn demand away from the US and Japan. It is no longer appropriate to stimulate the Eurozone with cheap Euro.

Myanmar's rice export falls by 16pc

YANGON, Sept 24: Myanmar exported a total of 32,200 tons of rice in the first six months of this year, falling by 16.1 per cent from same period of 1999 when it registered at 38,400 tons, according to the latest figures of the country's Central Statistical Organisation, says Xinhua.

In 1999, Myanmar exported 63,700 tons of rice, a drop also from 111,700 tons in 1998, indicating a trend of down-sliding in the export.

To meet its food demand, Myanmar has since January 1999 reclaimed 467,370 hectares of vacant, virgin, fallow and wetlands in the country's six divisions and states for cultivation by private entrepreneurs. Meanwhile, more reclamation of such lands in two other states and divisions are also being planned in four years' time beginning April 2001, the start of the next fiscal year.

Myanmar has abundance of cultivable land stretching 18.22 million hectares, of which only 9.31 million are under cultivation while 8.91 million remained utilized.

The country's agriculture accounts for 37 per cent of the gross domestic product and 25 per cent of the export value.

China may revive oil exchange

BEIJING, Sept 24: China may react to dramatic global oil price fluctuations by reviving a fuel exchange where prices can reflect supply and demand more precisely than the current system, state media said today, reports AFP.

Analysts told the China Daily's Business Weekly that an oil exchange, which would probably be located in Shanghai, was necessary to mitigate fluctuations in the domestic market brought about by the "crazy" world oil market.

"The oil exchange can serve as a domestic oil price adjustor," said Song Wucheng, a senior energy analyst at the State Development Planning Commission.

The new exchange would mark the revival of a two-year experiment that ended in 1995, when China closed two oil exchanges in Beijing and Shanghai in order to "straighten out oil and fuel circulation."

The paper did not say when the exchange could be set up, but cited analysts as saying it should enable producers and consumers to conduct both spot and future transactions.

"The oil exchange, especially (for) futures transactions, can help oil and fuel producers and buyers analyse market trends, fine-tune prices and reduces risks," said Yang Jingmin, research director at the China National Petroleum Corporation, or PetroChina.

Rising international oil prices, which reached new 10-year highs this week, have wrought havoc on the Chinese market, and the government has hiked domestic fuel prices seven times over the past 10 months.

The establishment of an exchange would help make pricing more flexible in China and would form another step in price reform already under way.

of oil since 1993, and imported crude accounted for 20 per cent of the domestic market last year.

IMF to set up sub-office in Hong Kong

HONG KONG, Sept 24: The International Monetary Fund will set up a sub-office in Hong Kong, says Reuters.

The IMF, a global body that promotes monetary cooperation and exchange stability, signed a memorandum of understanding with the mainland Chinese government on Sunday to open the Hong Kong office, the Hong Kong Monetary Authority said in a statement.

"As a major financial centre, Hong Kong markets play a key role in intermediating the flow of capital in the region," said Horst Kohler, managing director of the IMF, in the statement.

"The new sub-office will greatly enhance the IMF's surveillance of financial and economic developments in Hong Kong and the region," he said. "This is particularly important at this juncture, given the momentum of economic reforms in China, including reforms of the financial system.

Horst and People's Bank of China Governor Dai Xianglong signed the agreement during the annual meetings of the IMF and the World Bank in Prague, the HKMA said.

The HKMA said the International Finance Corporation (IFC) and the International Bank for Reconstruction and Development (IBRD) had also decided to establish a joint office in Hong Kong.

"The decision of the IFC and IBRD to establish a joint regional office in Hong Kong is in line with the World Bank Group's decentralisation objective to bring the management and officers closer to the client and the market where they operate," the HKMA said.

World Bank Group members IBRD and IFC provide loans and private sector financing for developing countries respectively.

Rich, poor nations call for action on costly oil

PRAGUE, Sept 24: Policymakers from rich and poor pleaded for action to curb rises in the price of oil yesterday as annual meetings of the World Bank and International Monetary Fund moved into top gear, reports Reuters.

Both developed and developing countries expressed their concern about the impact of high prices and a communique issued by the Group of 24 developing countries also said sharp corrections in "misaligned" exchange rates could destabilise financial markets, boost protection and hit poor countries particularly hard.

"Ministers ... expressed concern over large and persistent current account imbalances and currency misalignments among the major economies," the statement said. "The instability in oil prices, together with the deterioration in the terms of trade due to the decline in other commodity prices, has implications for the balance of payments in developing countries."

The G24 meeting was the first formal ministerial gathering in almost two weeks of top-level discussions which include a closely watched meeting of the Group of Seven rich industrialised countries Britain, Canada, France, Germany, Italy, Japan and the United States.

The G7, taking place in a Czech capital almost free of the protests promised by demonstrators angry at IMF policies, looked set to call on oil producers to pump more oil to cool decade-high prices and debated what to say about currencies.

It is due to release a final statement later on Saturday.

Further events will include semi-annual meetings of the policy-setting committees of the World Bank and International Monetary Fund and three days of formal annual talks, where countries showcase their economies and highlight the global issues that they are worried about.

Oil and currencies are at the top of every agenda after the United States kicked oil prices down by announcing plans to tap its strategic petroleum reserve and after G7 central banks stepped into foreign exchange markets to defend Europe's sagging currency, the euro.

The IMF, which released new growth forecasts on Tuesday, admits its projections for 2001 could be derailed if oil prices stay at or near recent 10-year highs. It says import-dependent developing countries will be hit especially hard.

"We are seeing a great number of pressures on our economies and inflation pressures are emerging," Zambian Finance Minister Katele Kalumba told a news conference on prospects for Africa. "Unless we are helped by global slowdown in oil prices I do not think we will make much progress on growth in the coming years."

Kalumba complained that the IMF was setting excessively tough targets, especially for countries seeking to qualify for an international programme of debt relief, the Highly Indebted Poor Countries Initiative.

Meanwhile, a report from the Venezuelan capital Caracas says: Leaders from the eleven members of the Organisation of the Petroleum Exporting Countries (OPEC) congregate in Caracas this week with crude prices at their highest in a decade and industrialised nations receiving a forceful reminder of how much they owe to OPEC's oil.

While OPEC looks likely to use the summit more as a stage-managed photo-opportunity than a political soapbox, the very fact the event is taking place underscores the group's enhanced solidarity in fighting to ensure they get their share of world economic growth.

Clinton defends use of govt oil reserve

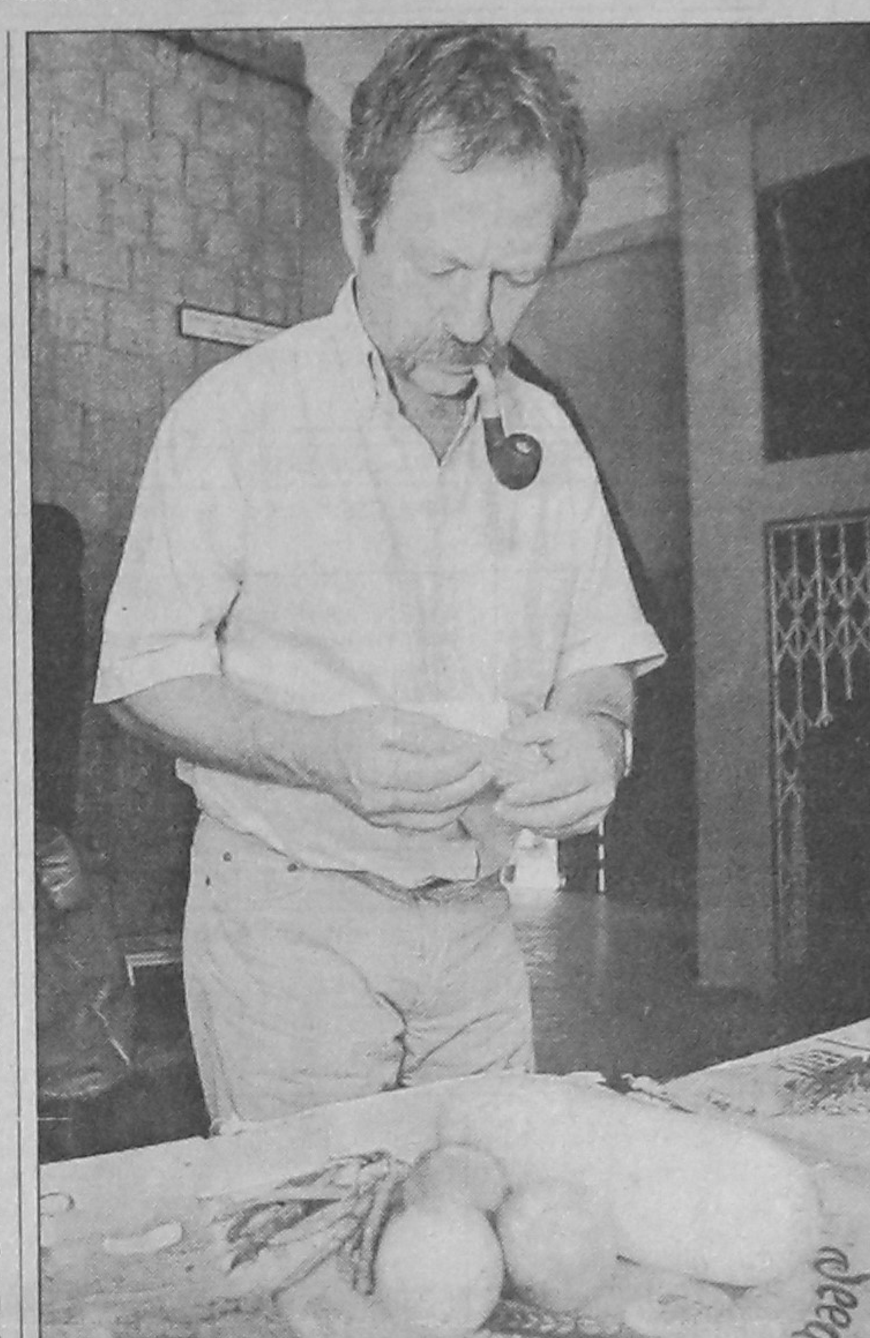
WASHINGTON, Sept 24: Amid growing global worries about the economic impact of high oil prices, President Bill Clinton said Saturday that tapping the US emergency oil reserve was "plainly the prudent thing to do." He denied he was motivated by politics, reports AP.

"Families shouldn't have to drain their wallets to drive their cars or heat their homes," he said. Clinton said he acted to cushion Americans against a likely sharp jump in heating costs this winter because of tight supplies.

The government will start taking bids Monday for 30 million barrels of oil - about 5 per cent of the 571 million barrel reserve -- for delivery in November.

Although the price has moderated in recent days, crude oil remains above $34 a barrel. High prices have led to demonstrations in France and England and unease in the United States, where gas stations charged more than $2 a gallon in some areas this summer.

Rising energy costs are becoming an issue in the presidential campaign as winter bills are expected to be as much as 50 per cent higher than 1999's.



French anti-globalisation campaigner and leader of the radical farmers' union, Peasant Confederation, Jose Bove looks at farm grown organically produced corn in Bangalore yesterday. Bove was attending a two-day conference on seeds titled "Bija Panchayat - Seed Tribunal". The conference, organised to prevent the corporate control of seeds by multinational companies and to highlight the plight of farmers, is being attended by environmentalists and social activists from all over the world. Fortyseven-year-old sheep-farmer and Roquefort cheese producer, Bove, shot to worldwide fame last August for trashing a half-built McDonald's restaurant in his home-town of Millau, France. --AFP photo

Czech President Vaclav Havel (R) opens a panel discussion entitled "Praga - Dialogi Locus" at Prague Castle on Saturday. Havel was hosting there a meeting bringing World Bank (WB) and International Monetary Found (IMF) leaders and their critics together in a bid to stave off anti-globalisation protests against a gathering of the world's financial elite in Prague. From left are: James D. Wolfensohn, President of the WB, Ann Pettifor, co-founder of Jubilee 2000 movement and British anti-globalisation activist, Mary Robinson, UN Human Rights High Commissioner, Katerina Liskova, Czech human rights activist, Host Koehler, Managing Director of the IMF, and Trevor A. Manuel, South African Finance Minister. Up to 20,000 anti-globalisation protesters are expected to descend on Prague during the IMF and World Bank meetings, which officially started September 21 and lasts until September 29, 2000. -- AFP photo

Unocal sees deep sea oil bringing investment back to Indonesia

JAKARTA, Sept 24: Deep sea oil fields off Indonesian Borneo could hold the key to a new millennium revival of the country's crisis-shattered economy, an American oil company official has told industry players in the Asia Pacific, says AFP.

Unocal's Indonesia chief, Brain Marcotte, told a three-day international energy conference in Jakarta last week that deep offshore explorations along the eastern Borneo coast were throwing up a wealth of new discoveries.

Unocal Indonesia is a subsidiary of California-based Unocal International.

It has been tapping into Indonesia's onshore and shallow-water offshore oil and gas resources since 1968, when it signed its first production sharing contract, and last year accounted for 4.9 per cent of Indonesia's total crude production.

But now, says Marcotte, although Indonesia's most accessible onshore blocks have been staked out, the post 2000 future lies in the black gold surging thousands of feet of below the ocean's surface along the shores of Indonesia's East Kalimantan province.

East Kalimantan takes up the central eastern section of Borneo island. Borneo is also home to the tiny oil-rich sultanate of Brunei, and Malaysia's easternmost states.

In the last four years Unocal has been exploring in "deeper and deeper water" in East Kalimantan, marcottle said, "pushing the limits of deep water drilling."

The prizes for drilling deep have been considerable.

In 1996, the company's first one-thousand feet-plus drill resulted in the discovery of the huge Merah Besar (Big Red) field within three months. That was with a shallow water rig, Marcotte said.

The following year, Unocal's first probe below two thousand feet took four months to throw up the three thousand foot deep Seno field.

West Seno is now under development as part of the Makassar Straits Production Sharing Contract, with first production anticipated in late 2002.

Confidence crisis hits Taiwan investment, stock market

TAIPEI, Sept 24: A crisis of confidence in Taiwan's fledgling government appears to be frightening both foreign and local investors from the island and unsettling the domestic stock market, says Reuters.

Analysts said policy uncertainties such as indecision on whether to go ahead with construction of a fourth nuclear power plant in northern Taipei country and a reservoir in southern Taiwan has worried the business community.

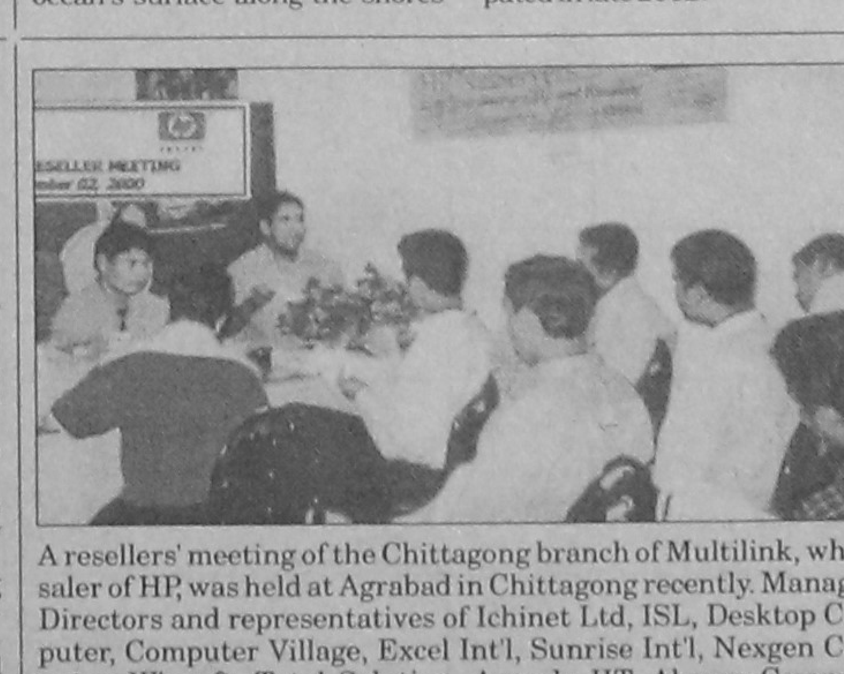
On Thursday, credit rating agency Standard & Poor's placed state utility Taiwan Power Co's AA Long term rating under creditwatch with negative implications, partly because the fourth nuclear plant, now one-third complete, could be scrapped due to the ruling Democratic Progressive Party's anti-nuclear stand.

Japanese electronics giant Sony Corp announced it would halt video production in Taiwan by December and move the operation to Malaysia and mainland China to cut costs.

Among local investors, Taiwan newspapers said plastics tycoon Wang Yung-ching plans to revive a petrochemical complex in China's southeastern province of Fujian in defiance or Taiwan authorities who shelved the multi-billion dollar project in 1992.

"For many businesses, the uncertainty is the most unbearable and terrifying," said Emile Sheng, professor of Soochow University.

"Now the bigger problem facing the new government is the uncertainty on its policy and personnel," Sheng said, warning it could trigger a chain effect of business moving overseas.



A resellers' meeting of the Chittagong branch of Multilink, wholesaler of HP, was held at Agrabad in Chittagong recently. Managing Directors and representatives of Ichinet Ltd, ISL, Desktop Computer, Computer Village, Excel Int'l, Sunrise Int'l, Nexgen Computer, Winsoft, Total Solution, Ananda IIT, Absson Computer were present on the occasion. --Multilink photo

Exchange Rates

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against the Taka:

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD sight doc	OD transfer
54.2500	54.2800	USD	53.8150	53.6464	53.5779
48.1592	48.2461	EUR	46.3803	46.1969	46.1203
79.5594	79.6014	GBP	77.7381	77.4716	77.4170
30.6655	30.6901	AUD	27.6636	27.5711	27.4910
0.5092	0.5093	JPY	0.4911	0.4909	0.4899
31.5386	31.5631	CHF	30.8364	30.7419	30.6574
5.6408	5.6459	SEK	5.5466	5.5290	5.5130
36.7438	36.7683	CAD	35.8662	35.7725	35.6894
6.9921	6.9934	HKD	6.8686	6.8509	6.8335
31.484	31.5053	SGD	30.3431	30.2993	30.1846
14.8919	14.9095	AED	14.5023	14.5242	14.4838
14.5799	14.5983	SAR	14.2402	14.2035	14.1853

Usance export bills

TT DOC	30 DAYS	60 DAYS	90 DAYS	120 DAYS	180 DAYS
53.7041	53.3727	52.9304	52.4217	51.8688	50.6303

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Mal Ringit	Indo Rupiah	NZ Dollar
46.00/46.08	57.78/ 57.88	42.70/ 42.80	3.7999/ 3.8001	8725/ 8750	0.4109/ 0.4116

US Dollar			LIBOR				
	Buying	Selling	Months	1	3	6	12
Cash notes	53.6150	54.2800	USD	6.62063	6.66	6.7425	6.77375
TC	53.5650	54.2600	GBP	6.06344	6.17375	6.27	6.39

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 24-9-2000

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Fuakavanga	GI(Copra)	Sant	Mutual	11/9	29/9
J/2	Mana	C Clink	Jaka	NWSL	14/9	24/9
J/3	Banglar Many	GI/S. Asii	Momb	BSC	20/9	27/9
J/4	Bay Pride	Ricp(P)/GI	Yang	SMSL	16/9	30.9
J/5	Glory	Sugar(G)	Sant	Fortune	16/9	29/9
J/6	Argus	R Seed	-	Royal	11/9	30/9
J/7	Allegro	C Clink/GYP	Krabi	RML	15/9	26/9
J/8	Jin Cheng	GI	Janj	Bdship	16/9	25/9
J/9	Hilda	GI	Busa	Prog	20/9	27/9
J/10	Aptmariner	GI(Maize)	Dali	Seaglory	8/9	28/9
J/11	Bangabijoy	Cont	P Kel	Bdship	21/9	27/9
J/12	Osg Argosy	Cont	Sing	Everett	20/9	24/9
J/13	Arabella	Cont	P Kel	QCSL	22/9	27/9
CCT/1	Boxer Capt Cook	Cont	P Kel	Bdship	18/9	25/9
CCT/2	Qc Pintail	Cont	Sing	QCSL	22/9	26/9
CCT/3	Kotanaga	Cont	Sing	Pil(BD)	21/9	26/9
RM/15	North Star-II	Cement	-	SBS	R/A	28/9
CCJ	AL Shams	C Clink(Ruby)	Krabi	RML	21/9	27/9
TSP	Handy Zadi	R Phos	Xing	Seacoast	15/9	26/9
RM/6	Eagle Aries	HSD	Sing	Mstpl	22/9	27/9
DD	Banglar Siikila	Repair	Sing	BSC	20/9	3/10
DDJ/1	Banglar Jyoti	Repair	-	BSC	R/A	4/10
RM/9	Banglar Gourab	Repair	-	BSC	R/A	15/10

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Seadestiny	25/9	Ikol	Litmond	MOP	-
Ocean-1	25/9	Yang	SMSL	GI(LOG)	-
Eltanin	27/9	Pada	SMSL	C Clink	-
Tokyo Queen(72)17/9	26/9	MGL	Everett	GI(ST Coil)	-
Xpress Padma(Cont) 13/09	27/9	Sing	RSL	Cont	Sing
QC Teal (Cont)14/9	25/9	Sing	QCSL	Cont	Sing
DA FU (Cont)24/9	25/9	Sing	RSL	Cont	Sing
Pans	25/9	-	SBS	Salt(TC)	-
Baoyun Shan(48)14/9	26/9	Sing	RML	GI(S Coil)	-
Acturia (Cont)20/9	26/9	-	QCSL	Cont	Sing
Asian Saffron	27/9	-	Everett	GI(st coil)	-
Locky emblem(72)17/09	27/9	-	Everett	GI(ST Cargo)	-
Jaami (Cont)19/9	27/9	Sing	Cross	Cont	Sing
Triumph Hongkong(72)21/9	27/9	Yang	RML	GI(ST C oil)	-
Kota Singa (Cont)19/9	28/9	Sing	Pil(BD)	Cont	Sing
Jayamars (Cont)18/9	28/9	-	Everbest	Cont	Col
Osg Alpha(Cont)18/09	28/9	-	RSL	Cont	Sing
Xpress Makalu (Cont)18/9	28/9	Sing	RSL	Cont	Sing
Banglar Moni(Cont)19/9	3/10	Sing	BSC	Cont	Sing
Joy Miracle(72)18/9	30/9	Jaka	SSLL	GI(ST Prod)	-
Alas (48)20/9	30/9	Hald	H&SL	GI(ST Prod)	-
Banga Birol(Cont)21/9	30/9	-	Bdship	Cont	-
Banga Biraj(Cont)21/9	1/10	-	Bdship	Cont	Sing
Xpress Resol VE(Cont)21/9	2/10	-	SRL	Cont	Sing
Tug De Ping Submersible	8/10	S Hai	OWSL	-	-
Barge: Zhong Ren-1 8/10	S Hal	OWSL	-	-	
Freedom	No Eta	-	Atlantic	GI(Proj Mat)	-

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Energy Explorer-IV	-	-	BBAL	5/4
Ismaya	-	-	BBAL	17/8
Dea Conqueror	-	-	Arafeen	R/A(11/8)
Dea Champion	-	Sing	Arafeen	9/9
Seabulk Command	-	-	IBS	R/A(16/9)

Vessels at outer anchorage

Ready on

Erodios	Sugar(C)	Sant	Fortune	16/9
Xiang Jiang	GI	Busa	Bdship	21/9
Topaz	GI	Sing	Prog	21/9
Anze Jiang	GI	Hnch	Bdship	21/9
Jurong Balsam(Cont)	Cont	Sing	NOL	22/9
Kota Berjaya(Cont)	Cont	Sing	Pil (BD)	24/9
Orient Indr...(Cont)	Cont	-	Bdship	24/9

Vessels not ready

World Amber	Wheat(P)	Sing	Angelic	24/8
Pavonis	R Seed	Rouen	Royal	13/9
Bay Pride	Rice(P)/GI	Yang	SMSL	16/9
Lesozavodsk	GI/RS	Sing	Mutual	16/9
Bay Fortune	Rice(P)/GI	Yang	SMSL	20/9
Pacific Emerald	GI(copra)	Sing	Allseas	21/9
Shun Cheng	GI(S Ash)	Lian	Concord	22/9
Pride	Salt(TCB)	Kand	UML	22/9
Feng Tai	Sugar(TCB)	Mumb	CCML	23/9

Vessels awaiting instruction

Banglar Shourabh	-	-	BSC	R/A(15/9
Banglar URMI	-	-	BSC	R/A(2/9)

Vessels not entering

Nassau Pride	R Seed	Lapa	BCL	R/A(28/8)
Linghai_18	GI(Malzee	Ying	BSL	21/9
Mallika Naree	TSP(P)	Durb	BSL	17/9
Al Bouraq	Gypsum	Prne	Skacom	4/9
Saint Nicholas-II	Scaraping	Sing	UMTL	14/9
Terpsichor	Scraping	Mong	-	14/9
Sea Shah	Scraping	C Town	OTL	1/8
Accord	Cement	-	Viking	5/4
Revenge	-	-	Sunshine	R/A(9/10)
Xinc Ye	Rice(C)	-	Mbcsl	(R/A(20/6)
Karya Sentosa	Rice(G)	-	Ustc	R/A(9/8)

Movement of vessels for 25-9-2000

Outgoing	Incoming	Shifting
J/1 F Kavanga	J/1 Xiangjiang	
J/5 Glory	J/2 Pavonis	
J/8 Jin Cheng	J/8 World Amber	
CCT/1 B Capt Cook	Erodios	
RM/6 E Aries	CCT/1 QC Teal	
	J/5 Shun Ching	

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