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Talks on reopening
SB London branch
in progress

LONDON, Oct 11: Steps are being taken to reopen the Sonali Bank branch in London which remained closed for more than a year, reports UNB.

Satisfactory progress has been made in the negotiation with the Financial Services Authority (FSA) of the British Government in this regard, a source told UNB.

A delegation of the FSA will visit Bangladesh soon for finalisation of a deal with the Sonali Bank authorities, he said.

The talks will centre round some preconditions for reopening the branch, which included creation of a 4 million pound sterling paid up capital and introduction of modern technology in the accounting system and daily operation.

Banking function of the bank's London branch was closed in the middle of 1999 and since then, a company, Sonali Trade and Finance Limited, has been rendering partial services to the Bangladeshi expatriates.

General Manager of the Sonali Trade and Finance Limited Abdul Latif Bara Bhuiyan said if the talks proceed in the present positive pace, the bank is expected to start functioning early next year.

Fresh negotiations with the FSA to open the bank again has been initiated on the persistent demand by the Bangladeshi expatriates in London.

HSBC launches
Personal
Instalment
Loan scheme

The Hongkong and Shanghai Banking Corporation Limited (HSBC) has recently launched its Personal Instalment Loan. The launching ceremony was held at the bank's main office at Sonargaon Road in the city, says a press release.

The loan is granted against the ability of the borrower to repay it from his or her monthly income. The loan can be used for anything such as holidays, expenses, or purchase of goods. Once approved the loan amount is credited to the customer's account held with HSBC and repaid on a monthly basis by an automatic debit from their HSBC current or savings account.

Commenting at the launching ceremony, Manager, Personal Banking of HSBC Bangladesh, Joe Barker-Bennett said, "One of the features of the Personal Instalment Loan, which is unique for borrowers, is that it does not require the usual personal guarantees from reputed people, cash or government bonds as security or hypothecation of the goods purchased to obtain the loan that other banks instant upon. Thus the loan application process will be quick and simple. The amounts vary between Tk 50,000 and Tk 750,000. The monthly instalment amount for a loan maturing in three years, starts from as little as Tk 1,833. For AutoPay salary account holders, the above instalment would be lower."

India, Malaysia
sign deal to
boost trade

NEW DELHI, Oct 11: India and Malaysia signed a key bilateral accord today aimed at boosting trade between the two countries, reports AFP.

"We have laid the road map for future cooperation for more productive and fruitful ties," Foreign Minister Jaswant Singh told reporters after signing the trade agreement with his Malaysian counterpart Sved Albar.

The two foreign ministers also inked a document on cultural exchanges and the agreed minutes of the second meeting of the Indo-Malaysian Joint Commission, which was held Tuesday after a gap of nearly eight years.

"These are no mere documents and they point towards the seriousness of our intentions," said Sved Hamid, who arrived in India on Monday at the head of a 22-member delegation.

Indo-Malaysian annual trade currently stands at around 2.7 billion dollars, heavily tilted in favour of Malaysia in the form of crude and palm oil exports.

The trade agreement was aimed at correcting the imbalance by diversifying the scope of trade.

Sved Hamid said he had also had "constructive" talks Tuesday with Indian Defence Minister George Fernandes.

India is reportedly interested in setting up joint ventures in shipbuilding, spare parts manufacture and combat aircraft maintenance, and intensifying cooperation in military training.

The Daily Star BUSINESS

DHAKA, THURSDAY, OCTOBER 12, 2000

Dhaka needs to push for early execution of MFA for LDCs

Centre for Policy Dialogue report says

By Monjur Mahmud

Bangladesh should make a case for an early and accelerated implementation of the multi-fibre agreement (MFA) for the LDCs, an independent think-tank of the country has suggested.

This would mean bringing forward by one stage the phase-out for LDCs and thereby providing them a virtual quota-free access at least from January 1, 2002 when stage three of the agreement on textiles and clothing (ATC) will be initiated," said the Center for Policy Dialogue (CPD) in a report prepared at the request of the Commerce Ministry.

The report, prepared by Dr Debapriya Bhattacharya and Dr Mustafizur Rahman of CPD, said that Bangladesh should start bilateral negotiations with the US on an urgent basis with respect to its plan for the next stages of integration.

Although the US has already submitted its plan of integration for the third and fourth

stages, the existing rules do allow it to revise the scheme, CPD said.

There is nothing in the ATC, which restrains the US from providing quota-free market access to Bangladesh. Rather in providing such access, it will be implementing a specific instruction provided for in the ATC which would conform to the letter and spirit of the agreement as well as other commitments, favouring the LDCs under the WTO.

In view of the frustrating state of the integrated framework initiative, Bangladesh could seek, as a compensating measure, special treatment within the WTO by way of a faster integration of the MFA into the ATC for LDCs.

In a recent move, the EU has proposed opening its markets to all goods excepting arms from the world's poorest countries. As a predominant trade power, the US is expected to match the EU gesture to LDCs, and ATC

could be one of the most appropriate platform to reflect it, CPD said.

Bangladesh should argue quota expansion to 30 per cent in the US market in place of 17 per cent as envisaged under the second stage of MFA phase-out.

The draft Ministerial Declaration submitted by the European Union (EU) at the Seattle meeting did in fact call for allowing zero-tariff and quota-free access to all LDC products. Since the Seattle ministerial meeting failed to come up with an unanimous declaration, the only option remaining for Bangladesh in realising this 'draft consensus' is to pursue strong negotiations on both bilateral and multilateral basis.

The current nature of the global trade in textiles and clothing suggests that favourable early changes in the US markets during the run-up to the total phase-out of MFA will greatly enhance the resilience of Bangladesh's readymade garment (RMG) in the post-MFA scenario.

United States accounts for about 42 per cent of the total RMG exports from Bangladesh.

Moreover, about 70 per cent of the RMG export to US from Bangladesh is made under quota.

Any adverse development in the RMG sector is not only going to have serious economic and developmental implications, but also destabilising social and political consequences for the country, the report said.

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Oil nears \$34 on evidence of thin US stockpiles

SINGAPORE, Oct 11: Oil prices hung close to three-week peaks on Wednesday, buoyed by fresh evidence of water thin US fuel stockpiles coupled with forecasts of further cold blasts on the way to North America, reports Reuters.

Continued tensions in the Middle East amid frantic diplomatic activity to save the Israeli-Palestinian peace process also lent support to the market, although two weeks of bloody clashes appeared to ease.

US benchmark light crude futures stood 72 cents firmer at \$33.90 a barrel at 0630 GMT, having briefly reached a \$34 high soon after new stocks' data was released following the close of New York dealings.

Heating oil futures were also sharply higher, rising more than 2.5 cents to over \$1 per gallon.

The API said national crude stocks were down by 3.9 million barrels in the week to October 6, while distillates dropped 3.3 million barrels and gasoline by 936,000 barrels.

The market had expected either a build or a slight draw.

"This (the API data) is very bullish across-the-board," said

Tom Bentz, analyst with Paribas Futures. "Most people are surprised by these numbers."

US crude prices shot up to the \$34 peak in out-of-hours electronic dealings, adding 82 cents to a gain of more than \$1.30 in day-side trading on the New York Mercantile Exchange.

Worries of possible shortfalls in US fuel supplies this winter have kept oil above \$30 over the last few months.

National heating oil stocks in the United States are 35 per cent below year-ago levels.

"This report reinforces the idea that distillate stocks are at critical levels," said Thomas Blakeslee of Energy Merchant.

US oil prices have increased by \$3 since Friday, almost halving the \$7 lopped off prices by a US decision in September to unleash strategic crude reserves this month to ward off a year's sharp price rally.

Meanwhile, another report from London says: Oil prices

sharply higher yesterday as nerves jangled over rising Middle East tensions and consumers shivered through an early

wave of violence between Palestinians and Israelis over the past 12 days has killed at least 90 people, mostly Palestinians.

London Brent blend futures

rose \$1.09 cents to \$31.85 but remained short of a 10-year high of \$34.98 touched last month.

US light crude was up \$1.32 cents at \$33.18, helped by speculators returning to buy oil after a two-week sell-off.

Dealers had taken fright at a statement from Saudi Arabia late on Monday warning that Riyadh and other Arab states would not stand idle if Israel acted against Lebanon and Syria.

Israeli Prime Minister Ehud Barak has warned he could order action against Lebanon and Syria unless they rein in the Iranian-backed Hezbollah group which on Saturday captured three Israeli soldiers.

"Barak has to think before taking any step ... and nobody should think that the Kingdom of Saudi Arabia and the whole Arab and Islamic nation would just watch with their hands tied," Saudi heir to the throne Crown Prince Abdullah said.

A wave of violence between Palestinians and Israelis over the past 12 days has killed at least 90 people, mostly Palestinians.

German minister says

Stability plan a must for euro

BERLIN, Oct 11: German Finance Minister Hans Eichel said today fulfilling conditions in the annual "stability programme" would boost financial market confidence in the German economy, reports Reuters.

"That is just as important for the development of the euro as it is for growth and employment," he said in a statement, adding that German government economic policy was a "guarantee" for such positive developments.

Under the stability pact agreed by members of European Monetary Union, governments must submit an annual report on their economic and fiscal performance. The German report was reviewed by Chancellor Gerhard Schröder's cabinet on Wednesday.

Internet policy critic wins seat on ICANN board

NEW YORK, Oct 11: A frequent critic of existing Internet policies was elected to an international organisation that will rewrite the rules for finding Web sites, reports AP.

In the world's first cyber-elections, Karl Auerbach defeated six other candidates Tuesday to become North America's representative to the Internet Corporation for Assigned Names and Numbers (ICANN).

Auerbach and winners in the four other regions could play a role in the selection of new domain name suffixes later this year, the first major additions since the 1980s.

The new members to ICANN's board will also help determine rules on hoarding domain names and managing the 13 root servers that function as maps for the Internet.

ICANN, chosen by the US government in 1998 to take over Internet addressing policies, has tremendous influence over the Internet's future use and growth.

Voting began on Oct 1 and took place entirely online. More than 34,000 internet users participated.

Auerbach, of Santa Cruz, California, an Internet user since 1974, considers himself "the voice of concerned individuals" and wants to challenge what he considers ICANN's current pro-business bias. He works as a researcher at Cisco Systems Inc.



Japan's electronics giant NEC employee Manami Yamada displays the new Windows CE personal computer Mobile Gear II MC/R50 which is equipped with the latest OS Microsoft Windows for Handheld PC 2000 (Windows CE 3.0) at the company's showroom in Tokyo yesterday. NEC will put it on the domestic market next month with a price of 910 USD.

-- AFP photo

China to cancel \$1.2b debt of African countries

said.

Chinese companies would be encouraged to invest in Africa, and Beijing would set up an Africa Human Resources Development Fund to help African nations "train professional talents," he said.

Officials at the ministry declined to detail which countries would be eligible for debt reduction or specify the extent of African indebtedness to Beijing.

The gesture was seen as a sign that China was ready to take on a donor nation role on the global stage.

However, the eight African nations that maintain diplomatic relations with arch rival Taiwan will not be eligible for debt alleviation, Chinese officials said.

Shi was speaking to some 80 African leaders representing 44 countries at the first China-Africa Cooperation Forum being held in Beijing.

China would also continue to provide assistance of various kinds and "gradually expand the scale of assistance as its economic development level rises and comprehensive national strength builds up," Shi Guangsheng.

Shi was speaking to some 80 African leaders representing 44 countries at the first China-Africa Cooperation Forum being held in Beijing.

According to Chinese statistics, bilateral trade with African nations totalled 6.48 billion

dollars in 1999, with Chinese exports accounting for 4.1 billion dollars and African imports standing at 2.37 billion dollars.

Shi's announcement was largely seen as the highlight of the landmark summit, which has been billed as China's effort to align itself with Africa and the developing world in and effort to confront domination by the West.

At the opening of the forum on Tuesday, Chinese President Jiang Zemin urged Africa to cooperate with Beijing to demand political and economic equality on the global stage and establish a "new world order."

The right of all countries to sovereign equality and to freedom from outside interference in their internal affairs must be ensured to them," Jiang said.

No country should be allowed to impose its own social or ideological system on others, nor should it be allowed to make irresponsible remarks on other countries' internal affairs," he added.

He said China has invested in 47 African countries, while Africa has largely been a buyer of Chinese textiles and electronics equipment.

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