ASEAN fine tunes trade link expansion plans

AFP, *Siem Reap*

Association of Southeast Asian Nations (ASEAN) economic ministers hunkered down Thursday to fine tune initiatives to expand trade links beyond the politically volatile region and on bridging the economic divide among its 10 members.

Cambodian Prime Minister Hun Sen, in a speech formally opening the ministerial "retreat", said the gathering was being held at a crucial juncture as ASEAN's export-driven economies reel from the impact of the slowdown in the US and Japanese economies and the downturn in the global electronics sector.

While Southeast Asian economies have recovered from the financial crisis in 1997 and 1998, "the global outlook for 2001 is becoming significantly more adverse," he said.

He hoped the meeting would allow the ministers to "discuss ways to sustain the recovery of ASEAN economies, to build up business and investor confidence and to mitigate the impact" of China's emergence as a formidable competitor once it joins the World Trade Organisation.

Political troubles in the region, such as those gripping the Philippines and Indonesia, have driven investors to safer havens such as China and the emerging Indian market, analysts say.

For ASEAN to remain competitive, it must promote itself as a group -- offering a market of 500 million people to potential trading partners, according to analysts.

Hun Sen, whose country joined ASEAN only two years ago, urged the ministers to stay the course to realise the ASEAN Free Trade Area (AFTA), which aims to reduce tariffs to between zero and five percent by 2003 for the group's wealthier members and at a later date for poorer members.

All tariffs are to be torn down by 2010 for the more developed ASEAN countries and 2015 for its less developed members.

A discussion agenda obtained by AFP said the ministers will exchange views on the latest developments in efforts to establish free trade agreements with ASEAN's major trading partners to the Northeast -- Japan, China and South Korea.

There will also be an exchange of views on the initiatives to link AFTA with the Closer Economic Relations alliance -- a free trade area covering Australia and New Zealand -- as well as issues related to a new round of WTO talks.

The Siem Reap meeting however has been watered down, with almost half of the ASEAN members -- Indonesia, Malaysia, the Philippines and Vietnam -- sending deputy ministers.

Only Brunei, Cambodia, Laos, Myanmar, Singapore and Thailand had their ministers in attendance, prompting revisions in the schedule.

The signing of a protocol amending the Asian Investment Area agreement was canceled. A scheduled consultation between the ministers and the US Trade Representative office was also put off as no representative from the US arrived.

Talks between the Malaysia and Thailand on the issue of compensation arising from Kuala Lumpur's decision to delay the opening up of its auto sector by two years would not take place as Malaysian Trade Minister Rafidah Aziz was absent, ASEAN sources said.

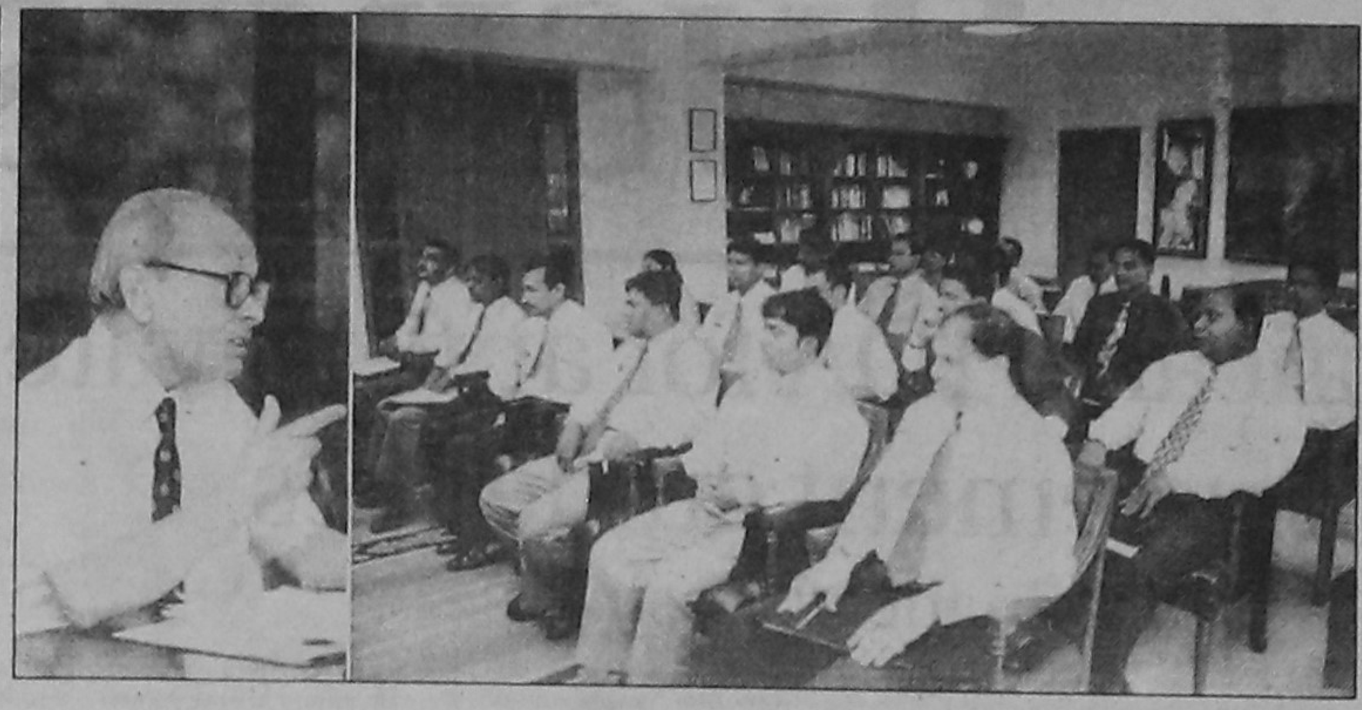

PHOTO: UNITED INS

M Moyeedul Islam, Chairman of United Insurance Company Limited, addresses the 9th branch managers' conference at the company's head office in the city on Saturday.

Building blitz to underpin South Korea economy

AFP, *Seoul*

President Kim Dae-Jung on Thursday ordered South Korean ministers to go on a construction spending spree to ward off an economic downturn.

President Kim chaired a special cabinet meeting on measures to counter worsening indicators, despite the Organisation for Economic Cooperation and Development predicting a rebound in the second half of the year.

Amidst general gloom over the economy, the president expressed concern over inflation, falling exports, a credit crisis involving Hyundai Group units, and labor protests, his office said.

"Most of all, foreign investors have been unnerved by labor protests," Kim was quoted as saying by officials. He promised a "swift crackdown on illegal actions" by unions.

"Investment in construction has declined for the past three years, and this has negatively affected the local economy," the president said.

He ordered renewed attempts to push his reform drive, which has come to a standstill in recent months, and told officials to diversify export markets and products.

Officials gave no figure for the construction campaign, but the cabinet decided to extend tax deductions for facility investments for an additional six months until the end of the year in a measure to boost production and consumption.

Finance and Economy Minister Jin Nyum said: "The government will make the restructuring system more comprehensive and work to increase facility investments, diversify export markets and stabilize consumer prices during the first half of the year, before coming up with a comprehensive measure for economic recovery in June."

South Korea's exports have plunged in recent months while inflation picked up to an annual rate of 5.3 percent in April, according to official figures released this week.

But the OECD said in a report released Thursday that South Korea's economy will start growing again in the second half of this year.

Gross domestic product (GDP) growth was projected to reach 4.2 percent this year and 5.5 percent in 2002.

There was a sharp downturn in the fourth quarter of last year with the growth down to 8.8 percent in 2000 from 10.9 percent a year earlier, said the Paris-based club of wealthy nations.

But the OECD said: "Emerging signs of improving business and consumer confidence suggest that the downturn may be short, with a recovery beginning in the second half of 2001."

GDP growth could rise to 5.5 percent this year if "overseas demand, notably from the US economy, bounces back" in the second half, it said.

United Ins branch managers' confce held

The 9th Branch Managers' Conference of United Insurance Company Limited was held at its Head Office in the city on Saturday, says a press release.

The conference was inaugurated by M Moyeedul Islam, Chairman of the company.

It was attended by all the Branch Managers and other senior officials.

In his speech, the chairman said sincerity, honesty and hard work of all staff helped the company to make progress.

The Managing Director of United Leasing Company Limited, MM Alam, spoke as a guest speaker on the occasion.

Thailand wants banks to boost lending

REUTERS, *Bangkok*

Thai Finance Minister Somkid Jatusripitak said Thursday he would call a meeting with Thai bankers around mid-May to explore ways of boosting sluggish bank lending to the business sector.

Somkid told reporters he would hold talks with bankers after his return from a meeting of the Asian Development Bank in Honolulu next week.

"After the Honolulu meeting, (I) will call every bank for a meeting to find ways of channelling more funds in the financial sector to the economic system. We will talk about what needs to be done and we should have some solutions," he said.

EU adopts new banana trade regulations

REUTERS, *Brussels*

The European Commission, moving quickly to put in place an agreement with the United States and Ecuador, adopted a regulation on Wednesday to implement new banana import rules that will take effect from July 1.

The regulation sets out the details of the management of the new system, which the European Union hopes will end a long-running trade dispute with the United States and Latin American countries including Ecuador, the world's top banana exporter.

The EU reached an agreement last month with the United States on its new banana import rules. Ecuador initially objected to the agreement but the EU managed earlier this week to address its concerns.

"Today's decision shows the determination of the Commission to end this never-ending story. We are delivering," EU Farm Commissioner Franz Fischler said in a statement.

"It is now possible to say that the major parties to this long-running dispute have agreed on a balanced solution," he added.

EU sources said the new banana system was now virtually "a done deal" the new rules were presented to a banana management committee, made up of EU member state representatives, on Monday and EU officials no longer expect a lengthy debate about the new system among EU ministers.

Ecuador and the United States have won WTO cases against the EU's banana import policies, which were found to favour banana growers in EU territories and the Caribbean over Latin American producers and US marketing companies such as Dole Foods DOL. N and Chiquita Brands International CQB. N.

The new banana regulation will be published in good time so that importers can adjust to the new system, the Commission said.

The new banana system sets aside three quotas for bananas, totalling some 3.4 million tonnes.

Some 83 per cent of licenses will be allotted based on the way they were during an "historical reference period" of 1994-96, while 17 per cent will be reserved for newcomers to the banana market.

Once the new system takes effect in July, the United States has agreed to suspend $191 million in sanctions it imposed on EU exports after winning the WTO case.

By January 1 next year, the EU plans to increase a quota intended mainly for Latin American bananas by 100,000 tonnes while reducing the quota for African, Caribbean and Pacific countries by the same amount.

Once the new system is fully in effect, the United States will definitively lift its sanctions.

ECB wary of inflation

AFP, *London*

The top economist at the European Central Bank said Thursday that low inflation remained a priority and there was no scope in euro-zone monetary policy for fine-tuning the economy.

"A medium term oriented monetary policy has little room for fine tuning the economy and controlling the economic cycle," ECB chief economist Otmar Issing said.

"The ECB has neither the instruments nor the intention to do so."

The ECB's aim was to maintain medium-term price stability, he said in a speech here.

"By following this policy, the ECB will continue to provide its best contribution to economic growth and employment."

Despite a deteriorating global economic climate there was "no reason for pessimism about the euro area economy," Issing said.

The ECB would remain wary of higher prices, at least in the short term, he said. The ECB has cited inflation fears in recent weeks for its refusal to cut interest rates.

"We should not be complacent," Issing said. "We will see the influence of higher food prices."

CURRENCY

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major clients

Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	54.2800	54.3100	53.8150	53.6970	53.6250
Pound Stg	78.1958	78.2390	76.9608	76.7921	76.6891
Deutsche Mark	25.2912	25.3052	24.2409	24.1877	24.1553
Swiss Franc	31.6982	31.7157	31.0549	30.9868	30.9452
Japanese Yen	0.4486	0.4488	0.4411	0.4401	0.4395
Dutch Guilder	22.4464	22.4588	21.5142	21.4670	21.4382
Danish Krona	6.5370	6.5406	6.4001	6.3860	6.3775
Australian $	28.8390	28.8549	27.4887	27.4284	27.3917
Belgian Franc	1.2262	1.2269	1.1753	1.1727	1.1711
Canadian $	35.7811	35.8009	34.7754	34.6992	34.6527
French Franc	7.5409	7.5451	7.2278	7.2119	7.2022
Hong Kong $	6.9732	6.9770	6.8865	6.8714	6.8622
Italian Lira	0.0255	0.0256	0.0245	0.0244	0.0244
Singapore $	30.1891	30.2058	29.2632	29.1990	29.1599
Euro	49.4654	49.4927	47.4110	47.3071	47.2436
Saudi Rial	14.5126	14.5206	14.3102	14.2788	14.2597

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7512	53.3665	52.9181	52.4696	52.0212	51.1243

US dollar London Interbank Offered Rate (LIBOR)

Buying ($)	Selling ($)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
53.6250	54.2800	USD	4.43375	4.31375	4.23000	4.27000	4.33000
76.6851	78.1958	GBP	5.40031	5.33672	5.24125	5.20109	5.18844
Cash/TC	Cash/TC	EURO	4.81625	4.76250	4.66875	4.60625	4.57688

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
46.827/ 46.837	61.34/ 61.40	45.43/ 45.47	3.7998/ 3.8002	11090/ 11190	1294.4/ 1294.5

Amex notes on Thursday's market

There was a demand for dollar in the inter-bank USD/BDT market today. The USD/BDT rate ranged between 54.22 and 54.25 level today. There was not much change in the average call rate today. The call rate ranged between 7.0 and 7.5 per cent today.

The euro rose to one-week highs against the dollar today, gaining a quarter per cent after the European Central Bank showed its determination to leave interest rates on hold because of inflation concerns. The Swiss Franc was expected to steady and possibly gain some ground versus the euro today, after the single currency touched roughly two-month highs earlier this week. Sterling edges down 0.10 cents to new day's lows below $1.4330 after UK CIPS April services business activity index fell more than expected to 51.2 worst since Feb 99.

At around 0904 GMT the exchange rates of major currencies against USD were GBP/USD 1.4328/1.4333, USD/CHF 1.7260/1.7270, USD/JPY 121.67/121.68, EUR/USD 0.8929/0.8931.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 3.5.2001.

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/2	Orient Lilac (72)	GI(ST.C)	Sing	Everett	27/4	4/5
J/3	Pacific Emerald	GI(Copra)	Damya	Allseas	R/A(15/4)	6/5
J/4	Dewan-1	Rice(P)	Kara	OWSL	5/4	4/5
J/5	Mergui	Rice(P)	Yang	MTA	7/4	4/5
J/6	Leona (Liner)	GI	Sing	Prog	26/4	6/5
J/7	Zara	GI(Y.Ma)	Sanlo	Angelic	12/4	6/5
J/8	Wood Link	Wheat(P)/GI	Vanc	Mutual	17/4	10/5
J/9	Alam Selar	R.Seed	Kemb	Litmond	4/4	4/5
J/10	Agios Fanorios	C.Clink	Krab	NWSL	28/4	7/5
J/11	Jurong Balsam	Cont	Sing	NOL	27/4	6/5
J/12	Kota Singa	Cont	Sing	PIl(BD)	28/4	6/5
J/13	Banga Lanka	Cont	Col	Bdship	28/4	3/5
CCT/1	Acturia	Cont	P Kel	QCSL	27/4	5/5
CCT/2	Abuja	Cont	Col	Everbest	24/4	3/5
CCT/3	Banga Bijoy	Cont	Col	Baridhi	1/5	6/5
RM/14	Huang Yun	Gi	Kawa	Jaycee	17/4	-
RM/15	Bright Star	Wheat(P)	Momb	MSA	20/4	10/5
GSJ	Maria-M	Wheat(G)	Donki	KSA	28/4	7/5
TSP	Bombay	R.Phos	Mali	RML	14/2	4/5
RM/3	Harold K Hudner	CDSO	DURB	Rainbow	27/4	5/5
RM/4	Olympic Flame	CPO	Belw	Rainbow	28/4	5/5
RM/6	Dailing	SKO/HSD	Sing	MSTPL	1/5	5/5
DOJ	Var	-	Mad	JF	2/5	7/5
DDJ/1	Banglar Jyoti	Repair	-	BSC	R/A	10/5
DDJ/2	Sea Bulk Command	-	-	IBS	R/A	-
RM/8	Le Cheng Ling	C Clink	Koshi	RML	9/4	7/5
RM/9	Banglar Shourabh	Repair	-	BSC	R/A	6/5
CUFLJ	Mary Nour	Cement	Lang	BSL	29/4	12/5
KAFCO(U)	LUO Qing	Urea	Mong	MBL	2/5	7/5

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Brave Eagle	3/5	Hal	UMTL	Demolition	-
Florita	3/5	Sing	OTBL	Demolition	-
Banga Bonik (cont) 25/4	4/5	P.Kel	Bdship	Cont	Sing
Dea Conqueror	3/5	-	Arafeen	P. Meterials	-
Banga Birol (Cont) 22/4	3/5	Sing	BD Ship	Cont	Sing
Golden Eye	3/5	B IMAM	OTL	-	-
Artemis (Cont) 25/4	5/5	P Kel	TTL	Cont	Sing
Chief of Cherokee (72) 30/4	4/5	ST Vin	ASA	St Coil	-
Philia	6/5	-	Seacom	C Clin	-
Triumph Hong Kong (48) 26/4	4/5	Viza	RML	GI(St.Plate)	-
Banglar Robi(cont) 17/4	5/5	Sing	BSC	Coint	Sing
Kota Cahaya (cont) 25/4	5/5	Sing	Pil(BD)	Cont	Sing
L.Karavelov	7/5	-	Kaptai	GI(M.S.Bilets)	-
Kykladesk	5/5	P Kova	Uniship	C Clink	-
Bay Fortune	4/5	Yang	SMSL	GI(Log)	-
Dawei	5/5	-	Everett	Coil (GI)	Sing
QC Teal (Cont)2/5	5/5	Mong	QCSL	Cont	-
Danau Toba (48)26/4	5/5	-	Everett	GI(St.C)	-
Dafa (cont) 25/4	6/5	Sing	RSL	Cont	Sing
Jaya Mars (cont) ¾	6/5	Sing	RSL	Cont	Sing
Banga Biraj(Cont)26/4	7/5	-	Bdship	Cont	Sing
Eltanin	7/5	Yang	SMSL	GI+Rice(P)	-
Arabella(Cont)28/4	7/5	P Kel	QCSL	Cont	Sing
ST. Aubin	7/5	-	Everett	(W/LD Urea)	Austri-
Kota Naga(Cont)29/4	8/5	Sing	Pil(BD)	Cont	Sing

Tanker due

Macler	3/5	-	Seacom	CDSO	-
Al Badiah	3/5	Shua	ECSL	HSD	-
Treresa	5/5	Dumai	Seacom	CP Olien	-

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Vessels at Kutubdia				
Energy Explorer-IV	-	-	BBAL	5/4
Ismaya	-	-	Arafeen	17/8
Dea Champion	-	-	Arafeen	R/A (12/4)
Dea Captain	-	-	Arafeen	R/A(26/4)
Vessels at outer anchorage				
Ready on				
Banglar Kakoli	Rice(P)	Kara	BSC	11/4
Thank God	R.Phos	Hamr	Seacoast	12/4
Exceed-2(24)	GI(St.C)	Yang	Everett	26/4
Xuan Cheng(Linr)	GI	S Hai	Bdship	30/4
Salza Ch (Cont)	Cont	Sing	BD Ship	1/5
B Capt Kook(Cont)	Cont	P Kel	TTL	1/5
Dacheng (Line)	GI(PMAT)	Xiang	BD Ship	1/5
Mawla myine	Rice(P)	Yang	MTA	22/4
Xpress Nuptse (Cont)	Cont	Sing	RSL	2/5
Young Jiang	GI	SHai	BD Ship	3/5
Sea Bright (Cont)	Cont	Sing	PIl (BD)	3/5
Spress Renwn (Cont)	Cont	Col	Everett	3/5

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