

UN-EU confce targets plight of the poorest

Weeklong event on Least Developed Countries begins in Brussels

AFP, Brussels

UN Secretary General Kofi Annan and a host of world leaders and dignitaries Monday opened a week-long Conference on Least Developed Countries (LDCs) aimed at breaking the cycle of misery and despair in the world's poorest countries.

"For all too many of those people, life is a continuous struggle against hunger, malnutrition, polluted drinking water, infectious disease, ignorance, oppression and violent conflict," said Annan.

"They would like to join in the global market as producers and consumers," he told the hundreds of officials of LDCs, industrialised countries and non-governmental

aid organisations (NGOs).

"But they cannot do it without our support... We are here to find ways of giving them that chance."

In the 20 years since the first LDC conference, and the 11 years since the second, both in Paris, "the list of LDCs has grown longer, not shorter," he said.

"Only one country has succeeded in graduating from the LDC category, and through a cruel twist of fate that country -- Botswana -- sees its prospects blighted by HIV/AIDS," he said, noting that the southern African nation has the highest rate of HIV infection in the world.

"Poverty is not a foregone conclusion," French President Jacques Chirac told the conference.

"The unconscionable situation in which the world gets ever richer and the poor remain poor can and must be ended," he said.

"Across the world, a billion people are eking out a bare subsistence and have no hope of ever transcending the poverty line," he said.

"Two billion people, a third of the human race, have less than two euros (1.7 dollars) a day to live on," said Chirac.

"These stark numbers reveal the terrible insecurity of lives blighted by hunger, the shortage of safe drinking water, illiteracy, illness without health care, armed conflict, political oppression and untimely death."

Chirac, alluding to a decision

taken at a 1996 summit of the G8 most industrialised nations to help LDCs with their debt burden, said, "This means writing off a total of 60 billion euros (53 billion dollars) in debt owed by LDCs."

"France alone is contributing 10 billion euros... (and) I am convinced of the need to mobilise private sector initiatives," he said.

"To help LDCs to take better advantage of free trade, Europe has decided to open its markets to all their goods with the exception of arms," he added.

European Commission President Romano Prodi said the conference came "at a crucial time... Globalisation and new technologies have become driving forces... but the gap between poor and rich

nations is widening dramatically."

The 49 LDCs with a total population of some 610 million, most in sub-Saharan Africa, have been unable to benefit from these changes due to large-scale migration, widespread disease and lack of access to markets, he added.

"At the root lies the concept of poverty," Prodi said. "It is in our power to remove that concept, and it is our duty and responsibility to do so."

LDCs need to be "fully integrated into the world economy," he said, adding that the countries "must have a place at the WTO negotiating table" once a new round of trade talks is launched within the World Trade Organisation.

"The challenge is great," said President Goeran Persson of Sweden, whose country "holds the current EU presidency," support for the on-going struggle for human dignity and the right of all human beings for democracy.

"But there is another dimension. Poverty is not national," said Persson. "Today progressive forces throughout the world share the insight that leaving people behind means missing chances," he said.

"We live at an historic juncture where global progress is within reach," he said. "This open window in history will not last forever. If we do not seize the moment of opportunity, the window may close and that is a loss for all of us."

No trade benefit for LDCs EU to okay huge debt relief before basic reforms: WB

AFP, Brussels

Talks on extending the benefits of globalisation to the developing world are futile unless basic political and infrastructure reforms are implemented, World Bank President James Wolfensohn said yesterday.

"There is no sense in having opening of trade if you don't have ports... roads... refrigeration facilities... if you don't have the capacity to export," he said here. "It's an empty invitation."

Wolfensohn outlined the conditions that should be fulfilled before fruitful trade talks can begin with the developing world, in a speech delivered at an international conference on the world's

least developed countries.

He cited good governance, functioning legal and judicial systems, education and health care initiatives, and the fight against corruption as vital to boosting the developing world's chances of being competitive.

"We do not want poor people saying they do not know who to trust -- the police or the criminals," the World Bank chief said.

He also lamented the spread of armed conflict, noting that one in five people in Africa are affected by such struggles.

"If you have a gun at your head, it's very hard to develop," he said. "It's very hard to invite people to come in and assist you in development."

Finally, Wolfensohn addressed the HIV/AIDS epidemic in the world's LDCs, urging leaders to do everything to counter the spread of the disease but not to count solely on cheaper drugs to remedy the problem.

"We should not kid ourselves that by reducing the cost of retroviral, we solve the question of AIDS," he said.

"That's act five of a play," the World Bank chief said. "The first four acts involve leadership, prevention, education, cultural change. And without that, we will not solve the question of AIDS."

The focus of the UN's Third Conference on LDCs are the 49 countries in Africa, Asia, the Pacific and the Caribbean.

AFP, Brussels

The European Union will forgive all outstanding debts incurred by the world's least developed countries (LDCs) as a result of their trade accords with the EU, European Commission President Romano Prodi announced Monday.

Brussels has "decided today to forego payments on all outstanding LDC obligations arising from special loans provided under earlier Lome conventions," Prodi said at the start of an international conference on LDCs.

The Lome conventions are trade and aid agreements between the European Union and developing countries in Africa, the Caribbean and the Pacific.

Prodi recalled that in 2000, the EU announced it would cancel one billion euros (880 million dollars) in LDC debt.

"Now we are going beyond that," he said in announcing the EU's massive new debt relief plan.

Prodi added that the EU has recently granted "duty-free and quota-free access to all LDC products except arms," allowing them "unprecedented access to their largest export market."

LDCs need to be "fully integrated into the world economy," he said, adding that the countries "must have their place at the WTO negotiating table" once a new round of trade talks is launched within the World Trade Organisation.

Prodi was speaking at the opening ceremony of the UN's Third Conference on LDCs, organised jointly with the European Union, aimed at finding solutions to the chronic problem of poverty in the world's least developed countries.

Recalling that the European Union is one of the world's largest donors of development aid to those countries on the UN's LDC list, Prodi said he advocated a two-pronged approach to combat poverty, combining aid and trade.

The European Commission has drafted a five-year action plan, aimed at promoting health in developing countries, and in particular the fight against communicable diseases such as the HIV/AIDS epidemic, tuberculosis and malaria.

Prodi announced in his speech that EU member states had fully endorsed the text on Monday.

He called on the EU's partners to help implement the plan, by supporting research efforts and establishing a mechanism to provide fair prices for medications desperately needed in the developing world.

EU ministers split on ROK shipyards plan

AFP, Brussels

EU industry ministers are divided over whether to support selective aid for European yards against unfair competition from South Korean yards, diplomats said Monday.

Industry ministers were meeting Monday and Tuesday to discuss shipbuilding, including support for a World Trade Organisation complaint against Korea, as well as EU anti-trust reform, they said.

"The European Commission will say there has been real damage to EU shipbuilding from unfair practices by Korea. Subject to consultations with Korea, there is scope to bring Korea before the WTO," one diplomat said.

"There will be conclusions from ministers welcoming this approach and some fairly strong language about the desirability of bringing a WTO case swiftly if Korea does not do something by

end of June," he said.

"The commission also has proposals for a defence mechanism. This would involve the return of some form of state aid. There is the issue of whether it is relevant or useful to bring back state aid," he said.

Denmark, Finland, the Netherlands and Britain are "very sceptical" about the defence mechanism, though it is unclear if enough other states share this view and form a blocking vote against the mechanism, diplomats said.

These states believe the European Commission's proposal of up to 14 per cent aid for specific sectors facing unfair Korea competition will not deal with the problem and will create distortions inside the EU, they said.

They are also querying whether the defence mechanism itself is compatible with the World Trade Organisation's subsidy rules, they said.

ICAB delegation meets BB Gov

A delegation of the Institute of Chartered Accounts of Bangladesh (ICAB) led by its President Anwaruddin Chowdhury FCA called on the Governor of Bangladesh Bank, Dr Mohammed Farashuddin, at the latter's office recently, says a press release.

The meeting discussed, inter alia, the necessity of maintaining global competitiveness of the banking sector in Bangladesh. It underscored the importance of sustaining financial discipline and enhancing greater transparency in the financial services sector. In this context, both the central bank governor and ICAB delegation emphasised the crucial role of chartered accountants for ensuring credibility of the auditor's report, published financial information and the need for engaging a greater number of professional chartered accountants in the banking sector, particularly in NCBs and DFIs.

While ICAB reiterated its request for substantial increase in bank branch audit, the governor stressed the importance of rotation of auditors and timeliness of the submission of their report.

ICAB hailed the Bangladesh Bank for promulgation of its circular requiring implementation of the provisions of IAS-30; disclosures in the financial statements of banks and similar financial institutions.

The ICAB team comprised its Vice President AK Gulam Kibria FCA, Jamal Uddin Ahmad FCA, Member IFAC Board, Past President & Member Council, and Zahir Uddin Ahmed FCA, Past President & Member Council.

Standard & Poor's downgrades Ericsson rating

AFP, Paris

Credit appraiser Standard and Poor's downgraded Swedish mobile telecoms equipment giant Ericsson on Monday, blaming sluggish demand, tough competition and big investment requirements.

Ericsson's long-term rating was cut to "A-minus" from "A" while its short-term rating was sliced to "A-2" from "A-1", the New York-based agency said in a statement.

The outlook was negative. While Ericsson was a world leader in supplying telecom equipment and infrastructure and a leading supplier to fixed-line networks, it faced serious challenges, Standard and Poor's said.

It noted last month's announcement that pre-tax profit slumped 90 per cent from a year earlier to just 600 million kronor (60 million dollars, 67 million euros) in the first three months of 2001.

Ericsson said then it was slashing 12,000 more staff jobs around the world to meet the new challenges.



Picture shows the ICAB delegation with Mohammed Farashuddin, Governor of Bangladesh Bank, when the team called on him at his office recently. From right to left are Jamal Uddin Ahmad FCA, former Deputy Prime Minister and Council Member & Past President of ICAB, Anwaruddin Chowdhury FCA, President, ICAB, and Zahir Uddin Ahmed FCA, Council Member & Past President of ICAB.

Emerging debt market eyes Argentina swap, Brazil energy

REUTERS, New York

Emerging market bond prices are likely to pace back and forth like an expectant father this week awaiting details of Argentina's bond swap and indications of the toll that Brazil's energy crisis will have on economic growth, Wall Street strategists said.

"I think prices will be down a touch this week in Argentina but otherwise the market will remain range-bound and without direction," said Siobhan Manning, Latin American debt strategist at Caboto, the Italian investment bank.

Argentine Economy Minister Domingo Cavallo on Friday vowed to reveal more about the bond swap "in a few more days." The deal, he said, will enable the government to ease debt service costs over the next four years.

"We saw some selling of Argentina on Friday and that could continue," Manning said. "As long as they delay the release of details about the debt swap, the more downside pressure Argentina will face."

Meanwhile, Merrill Lynch on Friday cut its 2001 gross domestic product growth estimate for Brazil to 3.4 per cent from 4.0 per cent, predicting other investment banks will do the same as the consequences of the country's energy crisis become more clear.

Economists at several other Wall Street investment houses said they were indeed reevaluating their forecasts for Latin America's biggest economy in light of an electricity shortage caused by droughts that have nearly emptied the reservoirs of Brazil's hydro-

electric plants.

Those plants generate 90 per cent of the country's power.

"You have to be concerned about the energy situation. It is just one more thing that adds to what I expect will be a rapid deceleration in consensus estimates on growth this year," said Christian Stracke, chief Latin American debt strategist at Commerzbank Securities.

Brazil's President Fernando Henrique Cardoso said this week that fines would not be used to cut energy consumption, contrary to the original government plan.

Instead, incentives will be offered to consumers who use less energy.

Energy rationing is likely to be introduced from June to the end of November to cut consumption by 20 per cent. The government delayed until May 23 its final decision on what it will do. The entire market has hinged on the prospects for Argentina in recent weeks as Cavallo tries to jump-start growth after a three-year recession.

The government has said it is planning, probably in June, to swap about \$20 billion in short-term bonds for longer-term debt aimed at spreading out payments. Argentina owes more than \$19 billion in debt obligations and short-term rollovers in 2001.

Argentine bond spreads ended last week at 1,048 basis points over US Treasuries, well above the psychologically important 1,000 mark. Wider spreads reflect the perception of increased risk as measured against safe-haven US Treasury bonds.

"We need to see more complete information regarding the

swap," said Boris Segura, chief emerging markets economist at Atlantic Asset Management of Stamford, Connecticut.

"At these spreads, a debt swap does not feel right," Segura said. "The question is can we get a meaningful compression in Argentine spreads to make a swap feasible."

If Argentina does not reveal any more details on the bond swap, most attention will remain focused on the US Federal Reserve meeting on Tuesday, strategists said.

Strong April retail sales and May consumer confidence, released on Friday, has threatened the strong market consensus for a 50 basis point rate cut with expectations scaled back to 25 basis points, analysts said.

"The market needs another interest rate cut to make sure the US slowdown does not spiral into a recession," Segura said. "A rate cut would be reassuring."

Despite indications that Mexico's congress might meet in special session next month to take up President Vicente Fox's controversial tax reform package, Stracke and other said they expect no constructive developments in the story this week.

"I think the news will be that there is no news about a special session in congress for tax reform, and that will be concerning," Stracke said.

The fiscal reform package includes the unpopular idea of extending a 15 per cent value added tax to food and medicines. Passage is seen as key to Mexico winning an important upgrade by Standard & Poor's to investment grade.

CURRENCY

American Express Bank Ltd foreign exchange rates (indicative)

against Taka to clients.

Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	54.3000	54.3300	53.6500	53.6970	53.6250
Pound Stg	77.2526	77.2953	76.0470	75.8309	75.7292
Deutsche Mark	24.7203	24.7340	23.6757	23.6084	23.5768
Swiss Franc	31.1926	31.2098	30.5653	30.4785	30.4376
Japanese Yen	0.4452	0.4454	0.4375	0.4363	0.4357
Dutch Guilder	21.9397	21.9518	21.0126	20.9529	20.9248
Danish Krona	6.4150	6.4186	6.2846	6.2668	6.2584
Australian \$	28.8550	28.8710	27.5120	27.4338	27.3970
Belgian Franc	1.1985	1.1992	1.1479	1.1446	1.1431
Canadian \$	35.3792	35.3987	34.3914	34.2937	34.2477
French Franc	7.3707	7.3748	7.0592	7.0392	7.0298
Hong Kong \$	6.9758	6.9797	6.8906	6.8710	6.8618
Italian Lira	0.0250	0.0250	0.0239	0.0238	0.0238
Singapore \$	30.2423	30.2590	29.3221	29.2388	29.1996
Euro	48.3487	48.3754	46.3056	46.1741	46.1121
Saudi Rial	14.5176	14.5256	14.3199	14.2792	14.2601

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)

TC/Buying (USD)	TC/Selling (USD)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
53.6250	54.4000	USD	4.12250	4.07000	4.06000	4.13250	4.22500
Cash	Cash	GBP	5.27750	5.21953	5.17125	5.17125	5.17719
Buying (USD)	Selling (USD)						
53.8000	54.8000	EURO	4.59438	4.5625	4.46563	4.42000	4.39000

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
46.905/	61.43/	45.44/	3.7995/	11385/	1297.4/
46.915	61.48	45.48	3.8005	11425	1297.6

Amex notes on Sunday's market

The demand and supply situation for dollar has remained unchanged. Bangladesh Bank has accepted Treasury Bills worth of BDT 6.195 billion against maturity of BDT 3.29 billion. As there was a gap of BDT 2.91 billion between the amount of acceptance and maturity, the liquidity for Taka decreased and the average call rate rose to 9.0-10.0 per cent today.

The dollar held firm on the euro and yen today with much of the forex market quietly confident that whatever the Federal Reserve does in the Federal Reserve policy meeting on Tuesday, it will leave the currency well-supported. The Swiss franc was little changed in early business today, with markets trading largely sideways.

At around 0834 GMT the exchange rates of major currencies against USD were: GBP/USD 1.4178/1.4187, USD/CHF 1.7521/1.7526, USD/JPY 122.73/122.78, EUR/USD 0.8747/0.8757.

SHIPPING

Chittagong port

Berth position and performance of vessels as on 14.5.2001.

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
1/2	Huang Yun	GLS Scraping	Kara	Jaycee	17/4	15/5
1/3	Ocean Blue (Roro/24)	Vehi	P. Kel	Everett	11/5	14/5
1/4	Da Cheng	GL(P. Mat)	Xing	Bdship	1/5	17/5
1/5	Larida	Sugar	MOMB	Seacoast	8/5	20/5
1/6	Mawlamyne	Rice (P)	Yang	MTA	22/4	17/5
1/7	Yong Jiang	GL	S. Hai	Bdship	3/5	14/5
1/8	Xuang Cheng	GL	S. Hai	Bdship	30/4	14/5
1/9	Banglar Kakoli	Rice (P)	Kara	BSC	1/4	16/5
1/10	Wood Link	Wheat (P)/GL	Vanc	Mutual	17/4	-
1/11	Da Fa	Cont	Sing	RSL	6/5	14/4
1/12	Kota Naga	Cont	Sing	Pil(BD)	7/5	16/5
1/13	O Independence	Cont	P. Kel	TTL	7/5	15/5
CCT/1	Banga Biraj	Cont	P. Kel	Bdship	9/5	15/5
CCT/2	Jaya Mars	Cont	Sing	RSL	6/5	14/5
CCT/3	Jaami	Cont	Sing	Cross	12/5	18/5
RM/14	Sung Risan-9	Cement	Tuba	ANCL	28/4	20/5
RM/15	Bright Star	Wheat (P)	MOMB	MSA	20/4	20/5
CCJ	Philia	C. Clink	Tanu	Seacom	6/5	16/5
GSJ	Banglar Moni	Wheat (G)	Mong	SSST	11/5	15/5
TSP	Thank God	R. Phos	Hamr	Sacoast	12/4	25/5
RM/3	Mecler	CDSO	Para	Seacom	3/5	15/5
RM/4	Secler	CDSO	Darb	Seacom	12/5	17/5
RM/6	Eagle Arics	JP/SKO	Sing	MSTPL	12/5	14/5
DDI/1	Banglar Iyoti	Repair	-	BSC	R/A	16/5
RM/8	Pacific Emerald	GL (Copra)	Damy	Allseas	R/A	15/5
RM/9	Banglar Urmi	Repair	-	BSC	R/A	14/5
SM/10	Tung Ocean Mercury	P. Items	Sing	MBL	10/5	15/5
CUFL	Mary Nour	Cement	Lang	BSL	29/4	14/5
CAICO(U)	ST. Aubin	Urea	Lumet	Everett	8/5	14/5

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Yuanzhi	14/5	Cana	Mutual	WT(P)+Y.Peas	-
Bann Ann	14/5	Sing	RML	C Clink	-
Brave Eagle	14/5	Hal	UMTL	Demolition	-
Rahi	14/5	Pira	ARL	Scraping	-
Abuja (Cont) 3/5	15/5	-	RSL	Cont	Sing
Marblue	15/5	Thai	OLM	C Clink	-
Banga Bijoy (Cont) 7/5	15/5	CBO	Baridhi	Cont	Sing
Jurong Balsam (Cont) 7/5	15/5	Sing	NOL	Cont	Sing
Jasmine	15/5	Viza	SMSL	Milling Wheat	-
Banga Lanka (Cont) 5/5	15/5	Sing	BDShip	Cont	Sing
Jaguar	17/5	COL	Everett	SPL Cargo	-
handy Mariner	16/5	Kohsi	SBSC Clink(Hyundai)	C Clink	-
Sea Fan	16/5	-	seacom	C Clink	-
Mutlara	16/5	Jaka	OTBL	-	-
Ravidas (E/L) 3/5	17/5	Mong	SSSL	E/L	-
Qc Pintail (Cont) 26/4	17/5	-	QCSL	Cont	Sing
Khaleda (E/L) 8/5	20/5	Mong	OWSL	J Goods	-
Kota Singa (Cont) 7/5	17/5	Sing	Pil(BD)	Cont	Sing
Acturia (Cont) 7/5	17/5	Sing	QCCL	Cont	Sing
Salzachi (Cont) 7/5	17/5	-	BD Ship	Cont	Sing
Ravadas (E/L) 3/5	18/5	Tilb	Unship	Scrap	-
Xpress Renewal (Cont) 10/5	17/5	Mong	SSSL	E/L	-
Kyklades K	18/5	-	RSL	Cont	Sing
Nichiasu Maru No.21	18/5	Sing	OTBL	-	-
Xpress Noasen (Cont) 3/5	19/5	-	BBA	-	-
Banga Bonik (Cont) 10/5	19/5	-	Everbest	Cont	Col
Banglar Shikha (Cont) 2/5	19/5	-	Baridhi	Cont	Col
Boxer Capt Cook (cont) 9/5	20/5	-	BSC	Cont	Sing
Sea Bright (Cont) 8/5	20/5	-	TTD	Cont	Sing
Joy World (72) 10/5	21/5	Sing	Pil(BD)	Cont	Sing
Artemis (Cont) 13/5	22/5	-	SSSL	GI (ST.C)	-
Jin Cheng (Liner)	23/5	-	TTL	Cont	Sing
QC Teal (Cont) 10/5	24/5	-	BD Ship	GI	-
Asian Leader (Roro) 24 10/5	26/5	-	QCCL	Cont	Sing
	26/5	Sing	JF	Vehi	-