US Senate resolves key dispute over stimulus package

US Senators said Wednesday they had resolved one of the key roadblocks to agreement on a stimulus package for the terrorist-shaken US economy.

Stalled negotiations on the measure would resume later in the day. paving the way for a vote as early as next week, lawmakers said. Tough negotiations on remaining disputes remain, however

Democrats who control the Senate said they had agreed to remove from the bill a hotly-disputed clause providing 15 billion dollars for homeland security after the September 11 suicide attacks.

The decision came under mounting pressure from US President George W. Bush for faster action.

More than 415,000 people had lost their jobs while lawmakers debated the package over the past seven weeks, Bush said.

The Senate must pass a stimulus package. The American people expect them to do so. I expect them to do so," the president told reporters at

The Senate's majority Democrats have proposed a 73-billion-dollar stimulus package, opposed by the White House, which wants a focus on tax cuts rather than spending.

The Republican-dominated House of Representatives last month backed a 100-billion-dollar measure, mostly tax cuts.

Under the US legislative system, a conference must be called to find a compromise between the Senate and House of Representatives' measures But first the Senate must pass its version.

Bush said he had spoken with Senate Majority Leader Tom Daschle, a Democrat, and with Senate Republican Leader Trent Lott and urged both of them to pass the legislation before Christmas.

There are differences but the differences are not that big," Bush said. Daschle later announced the decision to withdraw the homeland security fund from the legislation

Instead, the value of the 15-billion-dollar homeland security funding proposal would be cut in half and presented as an amendment to a defense bill due for debate next week, he said.

Republicans, whose proposal focused more on tax cuts and business

ncentives, had been adamantly against the additional spending.

The Republican leader in the Senate, Lott, hailed Daschle's decision and said negotiations on the economic stimulus bill would restart in the afternoon, paving the way for a vote.

This is an important breakthrough," Lott said. Republican Senator Charles Grassley said he expected a vote on the

package as early as next week But Democrats and Republicans are still divided over the components. Democrats insist on tax rebates for low-income families. Republicans want a one-month payroll tax holiday, as well as reduction in the marginal tax

rate to 25 percent from 28 percent. Bush earlier told an agricultural conference that the suicide attacks on

September 11, which toppled the World Trade Center, killing thousands, had hurt the economy

"Americans know their economy was targeted by terror and they are asking us to fight back and we must," he said. Bush said any stimulus package should help displaced workers and

accelerate the individual income tax cuts Congress approved in May as part of his 11-year, 1.35 trillion dollar tax reduction program. The sooner rates come down, the faster our economy will rise," he said.

The United States plunged into recession in March, ending a 10-year expansion, the US National Bureau of Economic Research (NBER), which is the official arbiter of US business cycles, said Monday.

White House chief economic advisor Glen Hubbard told the joint Congressional committee on the economy that the Bush proposals for tax cuts would support the private sector.

"Spending-oriented alternatives are both less timely and fail to exploit the creativity, flexibility and innovation of the private sector," Hubbard argued. The long-term fundamentals of the US economy remained sound despite the terrorist attacks, he said.

"The US economy is very resilient and with prudent investments in enhancing the private sector's ability to address the risks of terrorism we have every reason to expect a timely recovery of economic growth and a continuation of our economy's long-term progress.'

ASF Rahman, Chairman of Beximco Group, receives a prize of ICAB National Awards-2000 from Finance and Planning Minister M Saifur Rahman at a function held at Sonargaon Hotel on Monday. Beximco Pharmaceuticals Ltd and Padma Textiles Ltd, two companies of Beximco Group, were adjudged 1st and 2nd respectively for best published accounts and reports in the non-financial sector.

Wall Street unenthusiastic about IMF bankruptcy plan

Monetary Fund proposal to allow debt-laden countries to file for bankruptcy when they can no longer make debt payments has received a cool reception from Wall Street

investors. Most market players were unenthusiastic about the plan and one investor even said it was the "stunidest idea I've ever seen." No one seems to believe the proposal would be put in place quickly, if at all.

"The IMF is so politicised in its decision making that it is impossible that administrating a bankruptcy procedure would be any less politicised than administrating general funds." said Kasper Bartholdy. senior emerging market economist at Credit Suisse First Boston in

"It's just not an idea that anyone in the market would find plausible," he added.

Under the proposal, outlined by IMF First Deputy Managing Director Anne Krueger in a speech on Monday, the Washington lender would decide whether to grant nations a "stay" on their debts to buy the country time to negotiate an orderly debt restructuring.

Under the plan, intended to avoid a repeat of some of the messy

approval would be needed

"There is already a mechanism in place to deal with these kinds of situations on a market basis," said Philip Poole, head of emerging markets research at ING Barings in London, referring to debt exchanges carried out by countries such as Ukraine and Brazil.

Krueger's idea, some market participants say, would sound the death knell for emerging market financing from the private sector as investors and those that put together the bonds would say away from conditions that might be

"The sort of idea will decimate any prospect of those countries raising money," said one investor in emerging market debt who is a member of the Emerging Market **Creditors Association**

"We're talking about the creative destruction of any confidence lenders might have in developing countries." he added

However, other analysts believe the idea might actually encourage capital flows if investors feel confident there is an orderly procedure in place if a country runs into trouble.

"The argument for it is ... with better coordination you could actu-

restructurings of the past, the con- ally generate better outcomes," said sent of a majority of creditors and Lawis Alexander, global head of emerging markets at Salomor Smith Barney.

Analysts said they were doubtful the idea would ever see the light of day. For the proposal to fly, there needs to be strong support from the Group of seven rich developed countries and possibly from some of the larger emerging market coun-

"I think it's very difficult frankly to make this work," Poole said.

Alexander pointed out that bankruptcy for countries is not a new concept.

"There was some serious consideration of this in the 1990s by a (Group of 10 countries) group," he said. "They looked seriously and decided no one was really up for it."

The United States. Canada and the UK are believed to favour the bankruptcy idea while one of the largest emerging market borrowers, Brazil, is thought to have reservations, analysts said.

There are also legal consider-

"There are many legal options to be considered. You have to wait and see if the legal infrastructure is built and supported by every nation, said Javier Murcio, a Latin American analyst at Credit Suisse First Boston

France faces budget strains, must pursue reforms: OECD

The OECD credited France on Thursday with steps to reform its economy, but warned that production bottlenecks remained and that the public deficit could jump in part because of spending on jobs schemes.

Government plans such as the 35-hour work week, a major plank in the center-left coalition's platform, must be followed with deeper structural reforms, the OECD warned in a report on France.

However it noted that inflation has eased, that progress has been made in streamlining the budget, and that steps to extend market competition have

The Organisation for Economic Cooperation and Development forecast that French gross domestic product (GDP), supported by stimulus for consumer spending, would reach 2.0 percent this year, dip to 1.6

percent in 2002, and rebound to 3.0 percent in 2003. But it threw a critical light on three pillars of French government policy - measures to boost employment and consumer spending, and a move towards a public surplus, suggesting that the economy's growth poten-

tial is seriously limited by structural constraints.

The socialist coalition French government won power, and will fight presidential and legislative elections in the first half of next year, largely on innovative

and controversial policies to curb high unemployment. These polices were based on the opening of hundreds of thousands of iobs through youth employment schemes, mostly in the public sector, and reduction of the working week from 39 to 35 hours.

In a long analysis of the evidence so far. the OECD said that most French unemployment was structural and suggested that these policies were unlikely to create the number of jobs expected, and might well carry heavy long-term costs for the budget and companies' competitiveness

It suggested that French authorities understand the threats but that even if adjustments are made. France will have difficulty in reducing the unemployment rate from about nine percent to about five percent - about the lowest rate in EU countries, over 10 years.

Two important constraints are "the high level of corporate and personal income taxation and the complexity of regulations, as in the case of labour legislation", the report said.

US, Russia hail progress in forging energy cooperation

AFP, Moscow

Russian Deputy Prime Minister Viktor Khristenko and US Energy Secretary Spencer Abraham hailed progress Thursday in Russian-US energy cooperation two days after the inauguration of a new oil pipeline in Southern Russia.

"Important and pleasing developments have recently occurred regarding bilateral (Russian-US) cooperation in the energy sector including the launch of the Caspian Pipeline Consortium (CPC), Khristenko, who holds the Russian governement's energy brief, was quoted as saying before talks with

Abraham said his talks with energy and atomic energy ministers had "opened good prospects" for increased Russian-US cooperation the Interfax news agency reported.

'The climate in Russian is positive for investments," he added. He was speaking on the last day of a four-day visit to Moscow. The CPC, which stretches

1.510 kilometers (905 miles) from Kazakhstan's giant Tengiz oil field to the Russian Black Sea port of Novorossiisk, could deliver around one million tonnes of crude to world markets by the end of the year, the conglomerate said in a statement.

Senior Russian and US energy officials attended the CPC's inauguration Wednesday in Novorossiisk.



Jack Morgan, director-agency sales of Abacus Marketing and Communications Ltd, Singapore, speaks at the certificate presentation ceremony of Abacus NMs in Bangladesh held at a city hotel

Abacus honours travel agents

Abacus Bangladesh NMC held an agents' certificate presentation ceremony at a city hotel recently to thank the travel agents of the country for their support, says a press release.

Expressing his gratitude, Jack Morgan, Director Agency Sales of Abacus Marketing and Communications Pte Ltd. said new products will be introduced here to give the agents more tools for their increased profitability for a price sensitive market like Bangladesh.

Besides introduction of the latest products, the GDS will also give emphasis on service and training. An official from Singapore will be posted here to make Abacus more

proactive in dealing with the travel More training sessions and workshops will be held to update the members of travel trade on Abacus

WEF meet begins Sunday Indian economy to come under scrutiny

India's economy and its future prospects will come under scrutiny at a three-day meeting beginning Sunday in New Delhi organised by the World Economic Forum and the Confederation of Indian Industry.

"There is a direct link between the September 11 attacks in the United States and the global economic slowdown. Therefore, it is important to look at its impact comprehensively," said Sanjiv Goenka president of the Confederation of

He said this would be the first major economic meeting in India

since the September 11 attacks and government and business leaders would discuss the economic impact of the terrorist strikes.

"Finance Minister Yashwant Sinha will present the government's perspective on India's roadmap for achieving seven percent-plus growth." he said

Privatisation minister Arun Shourie would explain progress in the government plan to sell off public

The conference will also discuss India's stance on World Trade Organisation issues and the growth strategy for its information technology and telecoms industries

OPEC head warns of price collapse without output deal

OPEC Secretary General Ali Rodriguez warned Thursday that oil prices will "collapse" if the cartel fails to strike a deal with its non-OPEC rivals including Russia to cut pro-

But he expressed continuing confidence that a deal will be struck by January 1, when OPEC has pledged to cut its output by 1.5 million barrels per day (bpd) -- but only on condition that non-OPEC producers cut by 500,000 bpd. "Prices will collapse" if no

accord is reached, he told reporters in Vienna. "But I am convinced we will not arrive at that situation and that we will arrive at an agreement.'

that prices could slump below 10 dollars a barrel if no deal is struck to rescue oil prices which have already sagged to two-year lows amid the global slowdown deepened by the September 11 attacks The head of the Organisation of

Petroleum Exporting Countries (OPEC), which produces 40 percent of the world's crude, meanwhile reiterated that oil prices would rise if Iraq were targetted in the US-led war against terrorism. "If we face a conflict (in Iraq),

we will face a rise" in oil prices, he said, referring to the fear that military from the Middle East region.

Moore ready to join anti-WTO protests

Mike Moore, the director general of the World Trade Organisation (WTO) which regularly attracts stormy demonstrations, said Thursday he is ready to join the ranks of protestors once he gives up his official duties "When I retire from this job, I

shall be protesting outside the WTO," he told Hong Kong's Foreign Correspondents Club, wryly explaining his frustrations with the global trade body's internal

The former New Zealand prime minister's three-year stint as WTO head comes to an end next September, when he will be replaced by Thailand's Supachai Panitchpakdi

Moore's term of office, which has seen major breakthroughs in agricultural subsidies and the successful accession of China, has also

been plagued by crippling internal "The FU's trade representative

Pascal Lamy once thought he was insulting me when he criticised the WTO as medieval. I thought it was flattery. I've been through the Jurassic era." he joked. The WTO has been the focus

globalisation protesters causing major disruptions at previous gatherings in Seattle and Genoa. Recent ministerial talks at Doha were marked by heavy security, during which only muted dem-

onstrations were staged Despite admitting being a figure of hate for thousands, he said he had only ever suffered symbolic

"I have been burned in effigy in 30 places. No one in New Zealand has ever had this before -- except one cricketer." he said.

White House warns of budget deficits until '05

The US budget is likely to slide into the red until at least 2005 following the September 11 terrorist attacks White House budget chief Mitch Daniels said Wednesday. "It is regrettably my conclusion

that we are unlikely to return to balance in the federal accounts before possibly fiscal year 2005," Daniels told the National Press Club. The fiscal year ends in September The government announced a

budget surplus of 127.2 billion dollars in the fiscal year just ended. the second largest ever, but warned it would be hard to maintain sur-

The US budget has been in

Many analysts expect the budget to fall into a deficit of at least 25 billion dollars for the current fiscal vear, which began October 1, as a result of the economic slowdown and new spending and tax cuts to blunt the effects of the terror attacks. The Senate's majority

Democrats have been wrangling

with Republicans over a proposed

73-billion-dollar stimulus package,

which now appears to be close to a The Republican-dominated House of Representatives last

month backed a 100-billion-dollar measure, mostly tax cuts

A conference must be held between the House and Senate to try to find a compromise between

IMF okays \$3b loan payment to Turkey

REUTERS, Washington

The International Monetary Fund Wednesday approved a \$3 billion loan payment to Turkey following the latest review of the nation's economic progress and signaled more support was likely

The approval makes the funds available immediately under the IMF's \$19 billion loan programme for Turkey. But perhaps more importantly for Turkey's fledging economic recovery, which was knocked off balance by the events of Sept 11, the lender signaled it will likely approve even more cash soon.

The IMF's management has already said it is also considering increasing lending to Ankara by about \$10 billion to bridge a financing gap for the coming year.

board discussed Turkey, the board suggested it would support additional funds for Ankara if the government puts the right economic policies in place.

The IMF said he Turkish economic slump appeared to have been bottoming out in August but was set back on Sept. 11 when attacks on the United States roiled the global economy. The lender said the darker outlook called for an even stronger policy response, including maintaining a high public sector primary surplus a renewed effort on banking reforms, public resource management and private sector development.

While the İMF praised Turkey's fiscal management, it said reaching the targeted 6.5 per cent of gross national product public sector primary surplus in 2002 would be essential to ensure the nation's debts are sustainable.

CURRENCY

Following is vesterday's foreign exchange rate statement by Standard Chartered Bank

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Selling		Currency	Currency Buying				
TT/OD	ВС		TT Clean		OD Si	ght Doc	OD Transfer
57.6500	57.6800	USD	56.5000		56	3.3314	56.2629
51.6198	51.6467	EUR	49.6579		49.5096		49.4495
82.6528	82.6958	GBP	80.0605		79.8215		79.7246
30.5084	30.5243	AUD	28.9676		28.8811		28.8460
0.4712 0.4714		JPY	0.4562		0.4548		0.4543
35.1868	35.2051	CHF	34.1658		34.0638		34.0225
5.4450	5.4479	SEK	5.2586		5.2429		5.2365
36.5776	36.5967	CAD	35.4654		35.3596		35.3166
7.3994	7.4032	HKD	7.2388		7.2172		7.2084
31.6064	31.6228	SGD	30.7232		30.6315		30.5943
15.8253	15.8335	AED	15.2595		15.2140		15.1955
15.4936	15.5016	SAR	14.9471		14.9025		14.8844
Usance bills							
	TTDoc	30 days	60 days	90 0	days	120 days	180 days
USD	56.3835	56.0356	55.5712	55.	.0372	54.4567	53.1564
EUR	49.5555	49.2497	48.8416	48.	3722	47.8620	46.7192

79.4025 78.7444 77.9877 The local foreign exchange market was active Thursday. Demand for dollar was high. Demand for

vernight borrowing at call was on the rise and the call rate ranged between 6.5 and 7.25 per cent. In the international market, dollar struggled against the major currencies. The dollar suffered or fading optimism over the US economy as energy trader Enron Corp was on the brink of collapse. Many of the market players believed that the fall was a correction to earlier steep rise of dollar in the last fe

At 1400 hours local time, euro traded at 0.8871/74 against dollar, pound sterling at 1.4260/65 and

USD traded at 123.15/20 against yen.

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SHIPPING

Chittagong port

Berth position and performance of vessels as on 29.11. 2001 30/11 30/11 Ice Flake Corali Line Hanjin Penac GI(St.C) 6/11 18/11 22/11 22/11 24/11 25/11 25/11 25/11 3/11 3/11 8/a 26/11 9/11 27/11 R/a R/A R/a 25/11 2/11 2/11 2/11 Wheat(P) Gi St.c) Hyok Sin Banga Bijoy (Flag) Repair C Clink Wheat(G) P.Oil CDSO CPCL Duma Viza Tirta Niaga-1 Banglar Gourab

Vessels due at outer anchorage Name of vessels Cargo agent Suez Cpa Qc Lark (cont) 12/11 QCSL L/P.kel Star Glory 29/11 Rkship For Demolition 29/11 ΓT Britoil-9 Sing In Ballas 29/11 of fierce street battles with anti-Greenville-126 29/11 30/11 OTBL R Phos Balikesir Mergui 30/11 Alam Sentosa 30/11 30/11 C.Clink (Holcim) Radiant Star C. Clink (S. Cir/S.ce) 30/11 I. Mars (Cont)22/1 Everbest B. Lanka(Cont)4/11 30/11 Hai Xiong (Cont) 20/11 30/11 3-/11 C Clink Kant C.Clink Nand Srishti Shun An (Liner) Xpress Padma(Cont)6/11 L/Sing Γ. Kaoshiung (24)27/11 01/12 P. Mat Pil(BD) RSL Naga (Cont)22/11 2/12 Sing Sing Cont Cont Uni Wealth (Cont) 22/11 Overseas Harriette Wheat(G) BSC B.Robi (Cont) 24/11 3/12 3/12 Artemis (Cont) 24/11 RSSL L/Sing L/Si QC Pintail (Cont) 17/1 4/12 QCSL QCSL BSC Baridhi QC Dianity (Cont) 22/11 4/12 Pipa Col Banglar Mookh 4/12 4/12 GI (S. Ash) L/Col B. Bonik (Cont)25/11 L/Sing Gihock (cont)_26/11 Da Cheng(Liner) 5/12 5/12 S Hai Bdship B Birai (cont) 26/11 L/Sing Sing Bright Hope (Liner) L/Sing L/Col QC Honour(Cont)25/11 6/12 QCSL 7/12 7/12 Col B. Barta (Cont)27/11 Baridh Con K Beriava (Cont)27/1 Pil (Bd) K.Singa (Cont) 28/11 10/12 12/12

> Cargo Name of vessels Date of L Port Vessels at outer anchorage Vessels ready Boxer Capt Cook(Cont P.Mat H&SL Banglar Moni (cont) Cont 29/11 SBS Supreme 29/111 Vessels not ready Mop)F 29/11 l Fu Yun Shar Yang 31/10 Banglar Jyoti Vessels not entering Weddel Sea C.Clink Koshi SBS 21/11 Dirva Shubh C.Clink Sina 23/11 Alina Scraping Alexandra=1 Scraping R/A(26/11) Seacom Scraping Scraping Scraping 28/11 Kvthira Scraping Athentan Theodore Scraping Haci Resit Kalkavar Movement of vessels for: 30.11.01 & 1. 12. 01

Outgoing Incoming B.Moni CCT-Oc Lark J/10 J/2 Hwachon Java mars CCT/3 J/3 Ice Fake-\$ J/4 Fastern Hero Balikesar TSP J/9 Hvok Sin O.Marlin RM-5

J/10 B. Bijoy CCT-1 Jaamt CCT-3 Qc Tea

RM/4 M. Star

RM/6 Horizor

Vessels at Kutubdia

T. Niaga 1. 12. 200° 1/6 Haniin Penand CCJ T. Charm

Banga Lanka J/9 DOJ Banglar Shourab RM-9 RM/9 Banglar Gourab RM/4

Shifting

The above are shipping position and performance of vessels at Chittagong Port as per

Berthing sheet of CPA supplied by HRC Group, Dhaka.

Later certificates of appreciation was handed over to Abacus agents In a statement released after the in Dhaka, Chittagong and Sylhet. IMF's decision-making executive