

US opposes WTO rules on food aid

REUTERS, Geneva

The United States, the world's largest source of food aid, warned Thursday that setting World Trade Organisation (WTO) rules for such assistance could lead to a cut in its donations. "Depending on the proposals, it could limit our ability to provide food aid, one senior US trade official told reporters.

US officials were reacting to proposals at WTO talks on freer global agricultural trade that all food aid to poor countries be given in the form of cash payments for purchases in local markets. The European Union, which proposed the plan, said that this would ensure that the right types of food were bought and that local producers were not undermined.

But the US trade officials, who declined to be named, said that US foreign aid required the authorisation of various bodies, including Congress, and altering the rules could make such approval more difficult to obtain.

"If countries are thinking of negotiating additional layers of obligations or rules as part of a trade agreement we all ought to think what the effect would be on those who are able to be consistently large donors of food aid," one official said.

EU officials say that the United States makes no secret of its conviction that food sent as aid helps create markets and often uses this argument in convincing Congress to support aid shipments.

If approved by members, the EU plan would be incorporated into WTO agreements and rules, making it enforceable through the body's dispute settlement system which provides sanctions for violations.

The EU also called for all food aid to be made in the form of grants to avoid adding to the foreign debt problems of the world's poorest nations.

Argentina on brink of bankruptcy IMF refuses further aid

AFP, Buenos Aires

Argentina stood at the brink of bankruptcy Thursday after the International Monetary Fund refused to release the latest 1.264 billion dollar aid payment.

Economy Minister Domingo Cavallo announced plans to travel to Washington Thursday to meet with IMF officials.

The government "has to continue working on a program that allows us to move forward with the restructuring of (Argentina's) debt," Cavallo told reporters at the presidential palace here.

Cavallo earlier in the day acknowledged that the country is negotiating with bondholders and other creditors in an indication of a "virtual state of pre-bankruptcy."

But Cavallo told a Mercosur-European Union business forum that "Argentina will pay the debt that it has" despite the IMF action.

IMF directors refused Wednesday to sign off on Argentina's economic program -- a decision that effectively blocked clearance of the next payment from a 21.6-billion-dollar line of IMF credit.

On Thursday, an IMF spokesman said Argentina must meet its belt-tightening economic targets, in particular a commitment to cutting the deficit to zero, in order to continue receiving assistance.

IMF spokesman Thomas Dawson told reporters in Washington that the IMF mission in Buenos Aires was due back in Washington on Thursday and said he did not know when the next IMF team would be sent to Argentina.

Cavallo, emerging from a meeting Thursday with President Fernando de la Rúa, declined to answer questions about how Argentina would meet its debt payments.

"The preoccupation of Argentines is not this," he said. "Leave the question to foreign creditors and let them respond."

Argentina, whose economy is being choked by the payments on 132 billion dollars in debt, has a 1.2 billion dollar debt payment later this month including 480 million dollars in interest payments that must be paid to avert a full-blown default.

TUs call strike at French central bank

AFP, Paris

Unions representing French bank employees called Friday for a 24-hour strike at the Bank of France on December 14, the day on which the government plans to distribute packets of euros to the public.

Global recession results in 22pc drop in overseas employment

MUSTAK HOSSAIN

In the face of global recession, overseas employment of Bangladeshi workers, a major foreign exchange earning sector of the country, dropped by 22 per cent in the last ten months till October this calendar year.

During the time, number of employees working abroad declined to 160,407 from 205,440 of last year's corresponding period. And earning from the sector fell by four per cent to Taka 6,275 crore from Tk 6,604.89 crore of last year's same period.

"There is a downward trend in the overseas employment due to persistent global economic recession," a senior official of the Ministry of Labour and Manpower said.

And the September 11 terror attacks on the US have severely compounded the situation, he added.

He said the number of Bangladeshi workers abroad increased by 55 per cent to 18,956 in January, 2001 against 12,233 during the corresponding period of 2000. On the other hand, number of overseas employees dropped by 25 per cent to 17,094 in September this year after the attacks on the World Trade Centre (WTO) against 22,815 in September last year.

Bangladesh had earned Tk 10,199.12 crore by sending 2,22,686 people abroad in the last calendar year.

The country had sent 31.33 lakh skilled and unskilled people to different Middle Eastern countries and Malaysia, besides other countries, fetching about Tk. 20,003.63 crore since 1976.

The government, which is eager to explore the prospective job markets following the downward trend in manpower sector, has already launched a massive drive to persuade different countries to recruit skilled and unskilled manpower from Bangladesh, according to a source with the Labour and Manpower Ministry.

Export of manpower has been gradually decreasing since 1998 when the country sent some 2.70 lakh people. The number has come down to 2.23 lakh in 2000. Bangladesh exported 10,669 professional workers, 99,606 skilled workers, 26461 semi-skilled workers and 85,950 unskilled workers in 2000.

Bangladesh exported 144,618 people to KSA, 594 to Kuwait, 34,034 to UAE, 1,433 to Qatar, 1,010 to Libya, 4,637 to Bahrain, 5,258 to Oman, 17,237 to Malaysia, 990 to Korea 11,095 to Singapore, 1,420 to Brunei, 151 to Mauritius and 1,060 to other countries in 2000.

The ministry has already sent letters to Bangladeshi missions abroad seeking information of labour market in those countries. Mission chiefs have been asked to send feedback as early as possible, official source said.

The Ministry is also maintaining liaison with foreign missions in the capital to explore manpower market, the ministry source added.

Vajpayee promises fiscal, policy supports to computer industry

AFP, New Delhi

Prime Minister Atal Bihari Vajpayee on Thursday promised major policy and fiscal supports to the Indian computer industry.

Vajpayee told an information technology (IT) conference that his government was in the process of detailing a "comprehensive strategy for hardware, software and training".

"We have decided to provide major policy and fiscal support to IT in particular to electronic governance from next year," Vajpayee said.

"The key policy ingredients for ensuring success would include

provisions for greater IT infrastructure, a legal underpinning to electronic commerce and a strong commitment to reforms," he said.

"Education is another key area where the government plans to increase the use of IT at the primary and secondary school levels."

The prime minister added that industry could play "a crucial role in development efforts" through the wider dissemination of services.

Indian Information Technology Minister Pramod Mahajan told the conference that the September 11 terror attacks would not leave a permanent imprint on the sector which had emerged as the fastest

growing business in India.

The United States is India's largest market for software, accounting for more than 70 per cent of six billion dollars worth of exports in the last fiscal year.

Indian hardware exports in fiscal 2000-2001 amounted to a mere 0.5 billion dollars.

Mahajan acknowledged that the hardware manufacturing sector was plagued by problems like poor infrastructure, high cost of finance and a distorted tariff structure.

He told the conference that a government panel had set an ambitious 10 billion dollar target for hardware exports from India by the year 2008.

Dollar gains on confirmation of Japanese recession

AFP, Tokyo

The dollar hit a four-month high against the yen Friday after gross domestic product (GDP) data showed Japan had fallen into its third recession in a decade, dealers said.

The greenback traded at 124.90-93 yen at 5:00 pm (0800 GMT) off a high of 125.00 yen earlier in the afternoon, but up from 124.60 yen in New York and 124.65-68 yen in Tokyo late Thursday.

"The headline (GDP) figure confirmed Japan was bad, but when you look at the details you can see it's dreadful," said a foreign exchange manager at Barclays Capital. The dollar last breached the 125-level on August 1.

Chairman, Vice Chairman of IFIC Bank re-elected



Chairman



Vice Chairman

The Board of Directors of IFIC Bank Limited at its 325th emergency meeting held on Wednesday unanimously re-elected Manzurul Islam Chairman and Elthem B. Kabir Vice Chairman of the Board, says a press release.

Manzurul Islam is the son of late Jahurul Islam, the founding chairman of IFIC Bank Limited. Islam is a graduate in Economics from the University of London and currently the Chairman of Islam Group.

Elthem B. Kabir is a graduate from the George Washington University, USA and the second son of the eminent banker and founder of the Daily Sangbad, Late Khairul Kabir.

Lankan shares surge amid opposition victory

AFP, Colombo

Sri Lanka's tiny market rocketed 14 per cent higher in early trade Friday in the first day of trading since the main opposition United National Party became set to take power after a bitterly fought election, brokers said.

The All Share Price index rose 77 points or 14 per cent in the first 15 minutes of trading while the blue-chip weighted Milanka index gained 22 per cent, brokers said.



Picture shows the signing ceremony of a loan agreement between Prime Bank Limited and National Housing Finance and Investment Limited at the Board Room of the bank on Thursday. Shafiqul Alam, EVP and In-charge of Prime Bank Motijheel Branch, and Shabbir Ahmed, Managing Director (C.C) of National Housing Finance and Investment Limited, signed the deal on behalf of their respective organisations. Syed Naser Bukhtear Ahmed, Managing Director (C.C), M Shahjahan Bhuiyan, DMD, Md. Motior Rahman, EVP, Kazi Saiful Haque, SAVP, Shahidur Rahman Khan, AVP Touhidul Alam Khan, AVP of Prime Bank Limited, Jabad Malakar, Manager-Finance and Accounts, and Qudrate Khuda, VP and Company Secretary of National Housing Finance and Investment Limited, were also present.

Japan slumps into recession

AFP, Tokyo

Japan has slumped into its third recession in a decade and the economy is set to deteriorate further as unemployment rises amid weak consumer demand and the global slowdown, the government said Friday.

The dollar surged to a four-month high against the yen as the bad news was digested, dealers said.

Gross domestic product (GDP) in the three months to September fell 0.5 per cent from the previous quarter, when the world's second largest economy shrank a revised 1.2 per cent.

Two consecutive quarters of contraction are widely defined as recession.

"The US economy is experiencing negative growth at the moment and it is quite possible that we will see a severe figure for October-December," State Minister for Economic and Fiscal Policy Heizo Takenaka told a news conference.

The dollar was quoted at 124.91 yen at 4:00 pm (0700 GMT) off a high of 125.00 yen, but up from 124.55-57 yen in the morning.

"The headline figure confirmed Japan was bad, but when you look at the details you can see it's dreadful," said a foreign exchange manager at Barclays Capital. The dollar last breached the 125-level on August 1.

On an annualised basis, Japan's economy shrank 2.2 per cent during the three months to September and

4.8 per cent in the June quarter.

Takenaka referred to a "fear economy", with Japanese reluctant to spend due to concerns about their prospects as unemployment rises to unprecedented heights.

"Households seem more concerned about the future than we expected," the minister said.

Consumer spending, which accounts for two-thirds of Japan's GDP, sank 1.7 per cent over the quarter, the sharpest slide since the end of 1999, due to rising unemployment and wage cuts.

Japan's jobless rate climbed to a record high of 5.4 per cent in October and most economists expect the level to hit six per cent by next year. Lay-offs and wage reductions were being implemented faster than the government had expected, said Takenaka.

In the past month, hi-tech leaders such as Hitachi Ltd. have accelerated restructuring plans which include cutting the jobs of over 100,000 workers. The financial sector is also reducing staff with most major banks suffering losses as they speed up bad loan write-offs and the value of their share portfolios sink.

The September 11 terrorist attacks in the United States and the discovery of mad cow disease at home further chilled consumer sentiment, economists said.

Capital spending by the private sector rose 1.1 per cent over the quarter, led by investment in information technology but a global

slump in demand for hi-tech products will depress future spending, said UBS Warburg chief economist Hirofumi Shirakawa. Public investment also grew 3.2 per cent over the three month period but this will subside as the government reins in spending to contain the national debt, which has ballooned to 130 per cent of GDP, economists said.

Takenaka said the government was committed to implementing its reform drive -- despite fears it would further chill the economy -- which includes a clean up of the banking sector, a cap on new government bond issues and a more efficient allocation of budget spending.

Prime Minister Junichiro Koizumi has called for a relatively slim 4.0 trillion-yen (33 billion-dollar) second extra budget to take total supplementary spending this fiscal year to 7.0 trillion yen.

But some lawmakers argue the amount is insufficient to prevent the onset of a depression.

Takenaka told reporters that Japan should retain a revised forecast for the year to March of a 0.9 per cent economic contraction, but warned of the risk of tipping into a deflationary spiral.

The stock market largely shrugged off the data, although weak sentiment pushed the Nikkei-225 average down 0.6 per cent to 10,796.89.

Nine US states seek tougher sanctions against Microsoft

AFP, Washington

Nine US states, which are refusing to sign up to a Bush-administration settlement with Microsoft, are to seek tougher sanctions against the software titan, newspapers said Thursday.

The hold-out states declined to back a deal reached last month between the Justice Department and Microsoft, and later supported by nine other states suing Microsoft.

Instead, they will propose tighter restrictions against Microsoft when they file proposed remedies Friday with the Federal District Court, said reports in USA Today and the New

York Times.

One of the proposals would force Microsoft to offer people a bare-bones version of its Windows operating system without the instant messaging feature, media player and Internet browser, USA Today said.

The software group would also be forced to give more information about the Windows code to help rivals develop more compatible products, the paper said, quoting people familiar with the matter.

And Microsoft would have to get permission from a special master before acquiring new technologies, it said.

The New York Times, quoting state officials, said they would refrain from asking the judge to prevent Microsoft integrating software into its operating system or force it to license its software source code.

Microsoft and the US federal government said November 2 they had reached a settlement after a three-and-a-half-year legal battle over claims that the software producer abused its sway over the market.

The government deal would restrict some business practices for the company, which was found guilty by the US courts of abusing its operating system monopoly.

Weekly Currency Roundup

Trading in the local foreign exchange market was sluggish. Trading volume of US dollar against taka was low due to lower customer requirements.

Activity in the money market gained momentum as liquidity tightened ahead of Eid-ul-Fitr. The weekly treasury bill auction was held on Sunday. The call money rate climbed as high as 8.5 per cent.

Trading in the international financial markets slowed down as year-end holiday mood is prevailing. Market resumed operation on Monday, but foreign exchange rates moved in a tight range throughout the week. The US dollar maintained an overall bullish tone against yen. Developments in Afghanistan are giving renewed hopes of faster US economic recovery. Some of the US economic data released during the week showed positive signs i.e. the non-manufacturing NAPM index showed surprisingly strong bounce to 51.3 in November from 40.6. The US stock market surged over 2 per cent, while yields on 2-year Treasury notes climbed by 30 basis points. However, many analysts feel that the US economic recovery euphoria will be short lived, as underlying fundamentals are yet to support a sustained above-trend growth.

The US dollar also gained some ground against the euro. The European single currency notes and coins will be launched from January 2002. Henceforth, the market expects to see some upward trend in euro exchange rate, which has badly suffered in last two years.

Next week the major focus will be on the outcome of US Federal Open Market Committee Meeting (FOMC) to be held on December 11. Market players are betting on at least 25 basis points US dollar interest rate cut.

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Taiwan's Nov exports down nearly 20pc

AFP, Taipei

Taiwan's exports dived 19.7 per cent in November from a year earlier amid slowing global demand, official data showed Friday.

Exports in the month declined to 10.19 billion US dollars while imports dropped 33.5 per cent to 7.95 billion dollars, the finance ministry said.

"Taiwan's trade with major partners... particularly the United States, Japan and ASEAN (Association of Southeast Asian Nations) fell by more than 23 per cent," said the ministry in a statement.

It also attributed the steep falls in November exports and imports to the base effect of very strong trade in November last year.

The trade surplus for the month stood at 2.24 billion dollars, triple that of November last year.

"In spite of the island's waning exports and imports, there have been signs of a slow recovery," the statement said.

The ministry estimated that Taiwan's exports would resume growth from April.



Engr. J A Patwari, Director (Construction) of Building Technology and Ideas Ltd, speaks at a training session held recently in the city. BTI, an ISO 9001 certified real estate developer in the country, organised the training session on quality improvement and management system for its project personnel.