

G7 heals rift on aid, vows to cut Africa debt

AFP, Halifax, Canada

The world's wealthiest nations Saturday finally settled a year-long wrangle over how to deliver aid to poor countries and vowed to cut heavy debt levels, mostly in Africa.

But the G7 -- Britain, Canada, France, Germany, Italy, Japan and the United States -- came in for criticism from activists pressing for action to spread the benefits of education and for total elimination of African debt.

Africa has become a badge of good intentions for the G7 ministers, who are paving the way to a summit of leaders from the Group of Eight -- G7 countries plus Russia -- in Kananaskis, Alberta from June 26-27.

"If we want to live in a world of peace, we have to confront the world of need," Canadian Finance Minister John Manley said.

US Treasury Secretary Paul O'Neill recently took a 12-day tour of African countries with U2 lead singer Bono to help devise policies for spending extra US development

aid. US President George W. Bush promised in March to boost the aid budget by 50 per cent to 15 billion US dollars a year by the end of 2006, directed at democratic countries with clean governments.

The vow was made in the run-up to a major development conference in Monterrey, Mexico.

The European Union, too, said it would commit an extra seven billion US dollars to its 25.4 billion US dollar annual aid budget by 2006.

But differences over spending the extra cash linger.

Policymakers put aside their differences on one key question -- how to distribute aid provided by the World Bank's soft-loan division, the International Development Association.

The United States had been pressing for 50 per cent of the aid to be given in grants, rather than loans. But Europeans feared the Bank money eventually would run out.

In a compromise, the ministers announced an agreement to dis-

tribute 18-21 per cent of World Bank aid in the form of grants. But the very poorest nations would receive most of their aid in grants.

The deal unlocks the way to replenishing the IDA's dwindling funds, with the G7 and other donors now expected to deliver 22 billion dollars to be disbursed over three years -- half of it heading to Africa.

According to a recent World Bank study, one billion US dollars in aid provided through the World Bank's IDA helped 434,000 people emerge from poverty.

On debt, G7 ministers promised to work to get more of the most impoverished countries into a special program aimed at relieving their debt.

Some countries in conflict had failed to qualify for highly indebted poor countries (HIPC) initiative.

But activists were unimpressed. British aid group Oxfam chided ministers for failing to meet its challenge to produce an extra four billion dollars a year to fulfill a two-year-old internationally agreed goal

of providing primary school education for all children by 2015.

"G7 finance ministers have failed to deliver on their repeated promises to the world's children. We must now hope the G8 leaders, who meet later this month, do not share their lack of vision," Oxfam said in a statement.

"What we need in Africa is debt cancellation," not just more promises of more aid, said Njoki Njehi, of a Washington-based group called 50 Years is Enough Network, said on Friday.

In an open letter to the G7 finance ministers, an activists' coalition -- the Halifax Initiative -- called for deep reforms to the World Bank and the International Monetary Fund.

"With increasing inequality, poverty, environmental stress and frustration with an unjust distribution of power and opportunity, we believe we are echoing an imperative being voiced with increasing urgency around the world," it said.

Prime Bank foundation course ends

A 21-day 13th Foundation Training Course for junior officers of Prime Bank Limited has ended, says a press release.

The course which started on May 13, 2002 ended on June 5, 2002.

Organised by the training institute of the bank, officers of different branches and head office of the bank attended the course.

Shah Md Nurul Alam, managing director of Prime Bank Limited, gave away certificates among the participants as Chief guest.

Shafiqul Alam, executive vice-president, Md Anwar Hossain, executive vice president & principal of Prime Bank Training Institute, and Md Abdul Wai, senior vice president, were present on the occasion.



Photo shows Managing Director of Prime Bank Limited Shah Md. Nurul Alam (2nd L) with the participants of the 13th foundation training course of junior officers of the bank at the prize distribution ceremony on the concluding day of the course in the city recently. Shafiqul Alam, EVP, Md. Anwar Hossain, EVP, and Md. Abdul Wai, SVP, are also seen in the picture.

Andersen convicted of obstructing justice in Enron saga

AFP, Houston, Texas

The former Big Five accounting firm Arthur Andersen LLP was convicted of obstructing justice Saturday by destroying tonnes of documents related to its former client, Enron Corporation.

A federal jury concluded that Andersen staffers conspired to pulp or erase Enron-related documents as the Houston energy trader headed towards a meltdown in late 2001 in the full spotlight of an official investigation.

The audit firm, which argued that the document destruction was not a cover-up but a case of routine housekeeping, immediately said it would appeal the verdict.

"Today's verdict is wrong," said Andersen spokesman Patrick Dorton.

"Arthur Andersen is planning to appeal the conviction based on flawed jury instructions and erroneous evidentiary rulings that precluded Andersen from presenting its entire defense."

But the US Department of Justice was clearly elated by the outcome of the six-week trial -- the first criminal case to stem from the collapse of Enron in December 2001 in a welter of accounting scandals.

Deputy Attorney General Larry Thompson said in a statement that he was "extremely gratified" by the verdict.

"This verdict confirms that Andersen knew full well that these documents were relevant to the inquiries into Enron's collapse and that Andersen partners and employees personally directed these efforts

to destroy evidence," the statement read.

The presiding judge, Meinda Harmon, is expected to hand down a sentence October 11, according to defence attorneys.

That will probably involve a five-year probation period and a fine of 500,000 dollars.

In addition, a criminal conviction will automatically disqualify the 89-year-old Chicago-based firm from auditing any publicly traded companies under US Securities and Exchange Commission (SEC) rules.

"When you expect the police, don't destroy evidence," said Andrew Weissman, one of the federal prosecutors, summing up the message of the jury. For Andersen the police was the SEC. Weissman told reporters here.

In the eyes of many experts, the verdict eliminates any chances the ailing firm -- weakened by months of uncertainty and client and employee defections -- has of limping on.

"It will accelerate the unraveling of Andersen," said Texas law professor Neil McCabe, predicting that the firm would find itself barred from the auditing business -- not just by federal regulators, but state authorities as well.

"Arthur Andersen is a criminal. You cannot have a felon operating with a licence as a matter of law in most jurisdictions," said McCabe, who specialises in white collar crime at the South Texas College of Law in Houston.

Japan says its economy starting to bottom out

AFP, Halifax, Canada

The Japanese economy has finally started to bottom out, Japanese Finance Minister Masajuro Shiokawa said Saturday after meeting here with his Group of Seven partners.

"In Japan, at last the economy has started to bottom out," Shiokawa told reporters.

But he offered no specific projections for Japanese growth rates.

US Treasury Secretary Paul O'Neill told reporters that the Japanese government was forecasting flat growth this year and just 1.0 per cent gross domestic product growth in 2003.

"Japan needs to grow at 3.0 per cent," he said.

But Shiokawa said he told his counterparts that the administration of Japanese Prime Minister Junichiro Koizumi had progressed in its pursuit of structural reform of the beleaguered economy.

"There has been progress made in restructuring of businesses as well as the structural reform of companies themselves," Shiokawa said.

Tokyo would soon announce the second stage of a new economic revitalization plan, he said.

The plan was expected to include four components -- a shift in resources from money-losing enterprises to high-growth companies, an accelerated disposition of the banking system's bad loans, tax reform and deregulation.

Deregulation already was proceeding in some sectors, including the nation's postal services system, the finance minister said.

Japan aimed to simplify the tax code over the medium to long term to make it easy to understand, he said.

In the short term, the Japanese government planned further tax breaks for research and development and investment, along with cuts in inheritance tax, to stimulate the world's second largest economy.

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Chairman of the Executive Committee of Islamic Finance and Investment Ltd (IFIL) Shabbir Mahmud speaks at the 10th meeting of the Executive Committee of the IFIL held in the city recently. Among others, committee members Anwar Hossain Chowdhury, Feroz Alam, Rezakul Haider, Md Shamsuzzaman, Md Shafiqul Islam, Adviser M Azizul Huq, Managing Director Mohammed Monwar and Vice President Rezauddin Ahmed were present.

Japanese, Arab libidos keep Lanka tea market firm

AFP, Colombo

Sri Lanka has begun a hard-sell of its green gold, plugging the therapeutic value of tea in health-conscious Western markets, but it is sex appeal that is enticing the big bucks.

For Arab and Japanese connoisseurs, not all teas are equal. Some clearly stand out and believers pay 100 times more for the exotic tea in the hope of enjoying that extra zip.

Two types of Sri Lankan tea -- silver tips and golden tips -- are said to boost libidos beyond the call of a normal cuppa that would in any case invigorate the tired and thirsty.

Sri Lanka's master tea maker Merrill J. Fernando, 72, is dismissive

of the aphrodisiac properties of silver tips and golden tips, but will lecture for hours on the health properties of tea.

"I don't know why, but Arabs seem to think that these teas are an aphrodisiac," said Fernando, pointing to two samples of teas at his tasting room to reporters.

Silver tips and golden tips are made exclusively from the tea bud. Other types of black tea are made by plucking two leaves and a bud.

To get the silvery and golden appearance, the buds are sun dried rather than being put through a normal drier.

"The initial demand came from Arab countries," says Lalith

Ramanayake, the head of leading tea broking house, John Keells Limited. "When an Arab sheikh was having an important function, it was important to serve this expensive tea."

However, in recent times the Japanese have also become steamed up about the upmarket tea.

Japanese firms have shown interest in fair quantities of the silver and golden tips, Ramanayake said.

Official figures show a parcel of golden tips sold for 25,000 rupees (270 dollars) a kilogram (2.2 pounds) while the average price at the weekly tea auction in Colombo is 150 rupees (1.67 dollars) a kilo for ordinary black tea.

Philippines orders trimming tax exemptions to bolster revenues

AFP, Manila

Philippine Finance Secretary Jose Isidro Camacho has ordered the trimming of tax exemptions and incentives granted by government agencies in an effort to bolster the government's sagging revenues, it was announced here Sunday.

The incentives and exemptions, granted to attract prospective investors to this country, is "an issue we have to deal with," Camacho

was quoted as saying.

All agencies will be asked to harmonize their tax incentives, the department said, adding that the internal revenue bureau would tighten its controls as well.

The department did not say how much was being lost to these incentives and exemptions although some estimates have placed it at about 4.2 billion pesos (82.4 million dollars) a year.

The International Monetary Fund

(IMF) last week warned that the Philippines must rein in its budget deficit to achieve its projected growth targets for this year.

The Philippines is targeting a budget deficit of 130 billion pesos for 2002 but the deficit has already soared to 82.9 billion pesos in the four months to April alone.

Government officials have attributed this to poor revenue collections and accelerated spending in the first months of the year.

G7 asks Argentina to restructure banking system

AFP, Halifax, Canada

Group of Seven finance ministers on Saturday urged Argentina to do more to restructure its banking system and improve its currency framework, as Buenos Aires seeks an escape hatch from a four-year-old recession.

"We are encouraged by the significant progress made by Argentina in reforming the fiscal framework encompassing the provinces and addressing their bankruptcy and economic subversion laws," the finance ministers said at the close of their meeting here.

"However, much more needs to be done, especially regarding the monetary framework and bank restructuring" to ensure low inflation, they said in a closing statement issued after a rapid meeting in this Atlantic harbor city.

Argentina is gripped by an economic crisis, suffering its fourth consecutive year of recession.

President Eduardo Duhalde considers Argentina has met the

prerequisites set by the IMF for the resumption of negotiations on a new financial package.

The local Argentine press, however, has reported that the IMF remains unhappy with the government's proposals for ending banking restrictions and that the current mission is merely a technical delegation.

The G7 finance ministers' statement on one of the world's economic flash points was far from earth-shattering, said Marc Chandler, chief currency strategist at HSBC in New York.

Following the statement's release, Canadian Finance Minister John Manley, the current chair of the G7, cautioned that emerging market economies are not necessarily out of the woods of the global economic slowdown.

"Risks do remain, originating both in domestic circumstances and elsewhere in the global economy, including in emerging markets," Manley told reporters.

Russia must diversify economy: Analysts

AFP, Moscow

Western countries would like to see Russia take the "Saudi option" and become the world's leading oil supplier, freeing them from the stranglehold of OPEC, but analysts believe Russian authorities must focus on diversifying the economy.

"Russia should increase its exports to 4.5 or 5.0 million barrels per day (bpd), but producing more than that, to the extent of defying OPEC (the Organisation of Petroleum Exporting Countries), would be a huge mistake," said Christopher Weafer, analyst with the Troika Dialog investment bank.

The top Russian oil producers currently export slightly more than 3.0 million bpd, compared with twice that figure for Saudi Arabia alone.

Washington, which last month

announced it would sharply step up its cooperation with Moscow in the energy sector, would like Russia to increase its exports considerably, expressing its willingness to invest in the oil sector to help bring this about.

Yukos, Russia's second largest producer, has already begun test deliveries to the US market, with a heavy tanker, the Astro-Lupus, heading through the Mediterranean as of last Friday with a first load of crude oil expected to arrive in the United States early July.

Current development plans and infrastructure projects under way with a view to increasing export potential should enable Russia to increase its production to 8.6 million bpd (from 7.2 million bpd at present) by 2005, with exports rising to 4.8 million bpd, experts believe.

Andersen conviction last straw for ailing audit firm

AFP, Chicago

A senior Arthur Andersen LLP partner said Saturday that his company's conviction on obstruction of justice charges would not lead to its immediate closure -- but analysts however say it probably spells doom for the 89 year-old firm.

Andersen, the former Big Five accounting firm, was found guilty in Houston, Texas on Saturday of destroying tonnes of documents related to its former client, Enron Corporation in late 2001.

The audit firm argued that the document destruction was merely routine housekeeping, and immediately said it would appeal the verdict.



Photo shows Adrian Schlapfer, assistant director-general of Swiss Agency for Development and Co-operation-SDC Bangladesh, and Gabriela Spiril, deputy resident co-ordinator-SDC Dhaka office, along with officials Munshi-G dot com (www.munshigi.com) during their visit to e-commerce company in the city on Tuesday.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling	BC	Currency	TT Clean	OD Sight/Doc	OD Transfer
58.5500	58.5800	USD	57.4000	57.2314	57.1629
56.2073	56.2942	EUR	53.6001	53.4167	53.3401
87.3277	87.3697	GBP	84.0708	83.8043	83.7497
33.6261	33.6506	AUD	31.4371	31.3447	31.2646
0.4743	0.4744	JPY	0.4582	0.4580	0.4570
37.8083	37.8328	CHF	36.5187	36.4242	36.3397
6.1210	6.1262	SEK	5.8938	5.8761	5.8602
38.0806	38.1051	CAD	36.9209	36.8272	36.7441
7.514	7.5152	HKD	7.3546	7.3369	7.3195
32.8801	32.9015	SGD	31.9556	31.9118	31.7971
16.0710	16.0886	AED	15.4925	15.4706	15.4521

Exchange rates of some currencies against US dollar

Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Nor Kroner	NZ Dollar	AUD
48.98	60.25	96.35	42.175	7.8619	0.4839	0.5604

The local interbank foreign exchange market was active on Sunday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 5.0 and 5.5 per cent for the day.

The international market was closed on Sunday.

At the closing of New York on Friday, euro traded at 0.9449/59 against dollar, pound sterling at 1.4768/74 and yen traded at 124.13/19 against US dollar.

(This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.)

SHIPPING

Chittagong port

Birth No.	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving	Imprt disc
J/1	Ocean Pride	GI (Log)	Yang	PSAL	31/5	15/6	722
J/4	New Auspicious	WT/D/PIRS	Sing	Litmond	28/5	20/6	1755
J/5	Fortune Australia	GI (DP)	Sing	Litmond	26/5	18/6	1233
J/7	Clover Star	GI (St PA)	Osaka	Prog	9/6	17/6	2278
J/8	Feng Kang Shan	GI	Busa	BDShip	11/6	20/6	1055
J/9	Summer	C Clink	Krabi	NWSL	1/6	15/6	876/51
/10	Jaya Mars	Cont	Para	Everbest	10/6	16/6	42/X
J/11	Qc Dignity	Cont	P Kel	QCSL	10/6	16/6	117/X
J/12	Orient Freedom	Cont	P Kel	PSSL	9/6	16/6	-
J/13	Banga Bijoy	Cont	Hald	Baridhi	11/6	16/6	287/X
CCT/1	Kota Singa	Cont	Sing	Pil (BD)	13/6	18/6	409/22
CCT/2	Banga Birlol	Cont	P Kel	Bdship	10/6	16/6	-
CCT/3	Banga Bonik	Cont	P Kel	BDShip	9/6	16/6	-
RM/14	Shun Winner	Idle	Bela	Unique	20/5	16/6	-
CCJ	CS Valiant	C Clink	Tarj	BSL	8/6	16/6	-
RM/3	Sun Emerald	Cpo	Mala	BSL	13/6	16/6	-
RM/5	Banglar Kallol	GI (Log)	Yang	BSC	13/6	-	-
RM/6	Mebody	Sko/J/P	Sing	MS/PL	14/6	16/6	-
DDJ	Banglar Shourab	C Oil	K Dia	BSC	R/A	15/6	-
DD	Banglar Mamata	Repair	-	BSC	R/A	18/6	-
RM/8	Banglar Gourab	C Clink	Krabi	OWSL	22/5	19/6	-
K/U	Magda	Urea	Mong	MBL	10/6	17/6	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading por
Baluga Superstition	15/6	-	Total	-	-
Julilee	16/6	Yang	R K Ship	GI (Log)	-
Fenes	15/6	Karim	OTBL	Demolition	-
Oriental Queen	18/6	Sing	Unique	C Clink	Sing
Sagaing (48/1)6	16/6	Cal	Everest	GI (St C)	-
Banga Biraj (Cont)6/6	16/6	Sing	BDShip	Cont	Sing
Orange Breeze (Roro)24/10/6	16/6	Sing	Everest	Vehi	-
QC Lark (Cont)8/6	16/6	P Kel	QCSL	Cont	P Kel
Banglar Moni (Cont)	16/6	Sing	BSC	Cont	Sing
Mardios (Cont)6/6	17/6	P Kel	RSL	Cont	Sing
QC Teal (Cont)10/06	17/6	P Kel	QCSL	Cont	-
Paragon Pescadores (Liner)	18/6	-	Everest	GI (St C)	-
Rubin Eagle (Liner)	18/6	Yang	H&SL	GI (HR Coil)	-
Khaleda	18/6	-	AMBL	Sugar (BSFIC)	-
Togo Charm	20/6	-	OLM	C Clink	-
Banglar Shikha (Cont)13/6	19/6	Sing	BSC	Cont	Sing
Hala	20/6	Dili	Sunshine	GI (Def. Carogo)	-
QC Pintal (Cont)4/6	19/6	P Kel	QCSL	Cont	Sing
Kota Berjaya (Cont)8/6	19/6	Sing	Pil (BD)	Cont	Sing
Phumy (Cont)6/6	19/6	-	PSSL	Cont	Sing
Kengtung (Liner)	19/6	-	Everest	GI (St C)	-
Asimont (Cont)10/6	20/6	-	Seaborne	Cont	Sing
Banga Barta (Cont)12/6	20/6	-	Bandrhi	Cont	Col
Oriental Glory	20/6	-	Oil	GI (HR Coil)	-
Xpress Resolve (Cont)12/6	21/6	-	Everbest	Cont	Col
Kota Naga (Cont)8/6	22/6	Sing	Pil (BD)	Cont	Sing
Orient Patriot (Cont)13					