

APEC members stress importance of currency stability

KYOTO, Japan, Mar 17: Finance ministers of the Asia Pacific Economic Cooperation (APEC) forum today stressed the importance of exchange rate stability to regional economic growth, officials said, according to AFP.

During their annual meeting in the western Japanese city of Kyoto, Japan's Finance Minister Wataru Kubo was quoted by officials as saying any appreciation in the yen would damage Japan's economy.

"Stability of foreign-exchange rates is necessary for the Japanese economy," Kubo said.

Some other finance ministers also expressed concern about fluctuations in the yen, whose appreciation had driven up the cost of repaying their yen-denominated loans.

"Volatility in major currencies would have a great impact on the whole regional economy," one unidentified Asian finance minister was quoted as telling his counterparts.

US Treasury Secretary Robert Rubin said present dollar-yen rates — at around 105 yen — appeared to reflect economic fundamentals.

During the morning session, the APEC ministers agreed that all should make efforts to avoid inflation, calling for action if necessary to avoid economic overheating in the region.

Several ministers said APEC members needed to take appropriate steps and in some cases should consider a correction of exchange rates.

Kubo explained Japan's problems with bad loans to his counterparts. "We have handled the issue with a view to its possible impact on the international economy," he was quoted as saying.

The collapse of seven housing loan companies in Japan under the burden of massive bad debts has exposed the depth of exposure by financial institutions to non-performing loans and undermined confidence in the country's financial system.

The Japanese officials said there had been no discussion of growing tensions between Beijing and Taipei due to China's military exercises in the Taiwan Strait.

ROK industrial park in Nahodka likely soon

SEOUL, South Korea, Mar 17: Russia and South Korea will soon start negotiations over locating about 200 South Korean light industry enterprises in the Russian Far East city of Nahodka, the Foreign Ministry said, according to AP.

South Korea's state-run Territorial Development Corp and Nahodka authorities reached a tentative agreement last March to build an industrial park in the Russian city.

President Yeltsin signed a document last week promising Moscow's support for South Korean participation in the Nahodka free economic zone, ministry officials said.

Talks will begin as early as May, they said. The two sides will discuss tariff exemption, tax cuts and other benefits for South Korean investors.

About 200 South Korea textile, timber processing, canning and other light industry companies are expected to join the industrial park, the officials said.

Nahodka is an important Russian port on the Sea of Japan and is seeking outside investment to become major player in the economic development of the resource-rich Russian Far East.

Rubin said the US economy was on the right track and would post 2.7 per cent growth in gross domestic product (GDP) this year based on former measures, or 2.2 per cent under new data bases.

IMF Managing Director Michel Camdessus, invited to address the meeting, said nine of the 18 APEC economies had current account deficits accounting for more than two per cent of GDP and five had deficits amounting to more

than 3.25 per cent.

These countries should take a tight economic stance and monitor their economic situations closely, he said, some would require structural reform.

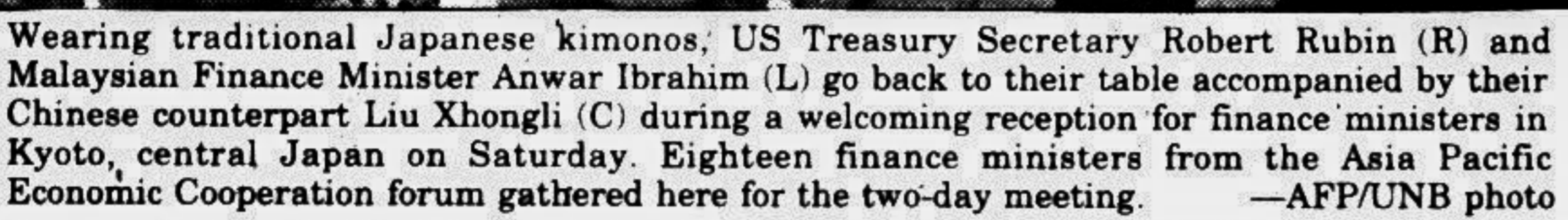
The IMF official also said the fund had recently up-graded Japan's economic growth forecast from 2.2 per cent to 2.5 per cent following Japan's economic measures and the reversal of the yen's appreciation.

He said the IMF saw Washington's current monetary stance as appropriate, but the United States should make more efforts to cut its budget deficit.

Some APEC ministers said they were restricted in taking economic policy actions.

Several economies in the region already enjoyed large fiscal surpluses and could not tighten fiscal policy further. The effectiveness of monetary tightening was also constrained by global economic forces.

He said the IMF saw Wash-



Wearing traditional Japanese kimonos, US Treasury Secretary Robert Rubin (R) and Malaysian Finance Minister Anwar Ibrahim (L) go back to their table accompanied by their Chinese counterpart Liu Xhongli (C) during a welcoming reception for finance ministers in Kyoto, central Japan on Saturday. Eighteen finance ministers from the Asia Pacific Economic Cooperation forum gathered here for the two-day meeting. —AFP/UNB photo

Persisting tension with China Taiwan's businessmen in Shanghai worried

SHANGHAI, Mar 17: Taiwan's businessmen in Shanghai said they were nervous and concerned about mounting tension between Taiwan and China, but added that their businesses had so far not been affected, reports Reuters.

"If there is no war, we will go on as planned," said the director of a property development company who, like others interviewed, declined to be identified.

"But, if there is war, everything is finished. Everyone would pay a huge price."

Taiwan figures show its firms have invested about 24 billion dollars in 25,000 mainly light industrial ventures in China's southern provinces.

Trade has boomed despite a Taiwan ban on director air and shipping links.

There are about 2,000 wholly or jointly-owned Taiwan ventures in Shanghai, in everything from textiles to real estate and night clubs.

"Our business has not been affected so far," the property company director said. "The property we build is for sale to local Chinese. But I am nervous myself. The possibility of war is small, but it is there. I hope nothing will happen."

He said the exercises and missile tests were aimed at influencing the presidential election in Taiwan on March 23, which incumbent Lee Teng-Hui is expected to win.

France to give PA \$17m

GAZA CITY, Mar 17: France signed an accord with the Palestinian Authority (PA) to provide \$17 million francs (17 million dollars) in aid for infrastructure improvements in the autonomous areas, officials said, according to AFP.

French Finance and Economy Minister Jean Arthuis signed the accord with his Palestinian counterpart, Mohammad Nashashibi, for funding projects in 1996, including the study and construction of a port in Gaza.

The money will also go to improving the water system, purchasing equipment and support of the Palestinian private sector. French officials said.

Smaller items fared better. A canine high-altitude partial pressure suit, of olive canvas fitted with adjustable laces, fetched 25,300 dollars, considerably above its estimated worth.

Among the most memorable items were the handwritten notes of Gagarin's commanding officer, Yegeny Karпов, which were made as the historic mission took flight on April 12, 1961.

"Malfunction," he wrote as the capsule descended from space. Don't panic he continued. The notes brought in 12,560 dollars.

A metal fragment of a flange of an oxygen tank from Sputnik which in 1957 was the first satellite put into orbit, was bought by a private collector for 16,100 dollars. Two prototype space toilets also did well, fetching 11,500 dollars.

Aker the success of the 1993 sale, Sotheby's had not planned on another one. But the items continued to pour in — not only from cosmonauts but even from research centres in need of money, said David Redden, who organised the sale.

UAE renews attempts to nationalise banking jobs

ABU DHABI, Mar 17: The United Arab Emirates (UAE) has renewed attempts to nationalise jobs in its banking sector as part of an overall drive to ease reliance on foreign workers, reports AFP.

The latest campaign, ordered by the federal cabinet last week, came after most banks failed to heed instructions by the central bank five years ago to raise the number of national employees to at least 10 per cent.

Official figures obtained on Saturday showed local employees accounted for only 8.8 per cent of the 12,140 staff in the country's 47 banks.

The level has remained unchanged in several banks over the past several years while it does not exceed one per cent in some banks. In other banks, the records do not include a single native employee.

More than half of the banking jobs are taken up by Indians and Pakistanis, who accept far lower wages than national employees.

Bankers argued their failure to comply with central bank guidelines was because most local employees wanted senior posts and high salaries.

"They lack skills and we do our best to train them. But many of them quit their jobs

after a few months because they demand higher salaries and senior jobs in the management," a UAE bank manager told AFP.

The UAE has 18 national banks and 28 foreign units, with assets standing at around 175 billion dirhams (47.6 billion dollars) at the end of 1995. This made its banking sector the second largest in the Gulf after that of Saudi Arabia.

With a population of 2.37 million, the UAE is rated as an overbanked country and this has prompted officials to suspend licences for new commercial banks.

Foreign spouses warned not to criticise Malaysia

KUALA LUMPUR, Mar 17: Foreign spouses of Malaysians are being "watched" and will lose their work permits if they criticise the government or their employers, a government official said Saturday, reports AP.

In a speech after presenting work permits to 32 foreigners, 24 men and eight women married to Malaysians, Deputy Home Affairs Minister Megat Junid Megat Ayob reminded them not to be arrogant.

He said the first time foreign husbands were issued work permits. Previously both foreign husbands and foreign wives of Malaysians were banned from working. The prohibition was lifted last month.

Megat Junid told the foreigners not get involved in politics or trade unions.

"You should be aware that you are being observed... and we get feedback about you," he said. "Don't be arrogant, especially those from the developed countries... talk nicely," he said.

"We need your cooperation as much as you need us. Each country has its own rules and regulations and culture. When you enter the cow's den, you must act like a cow," he said.

Malaysia's 8 per cent economic growth the past eight years has caused a labour shortage in all sectors, megat Junid said, the country especially needs engineers, doctors and nurses.

There are about one million foreign workers in Malaysia, mainly from Indonesia, the Philippines, Thailand, Bangladesh, Pakistan, India, Myanmar and Sri Lanka.

Soviet space souvenirs being auctioned in NY

NEW YORK, Mar 17: Hundreds of objects and souvenirs from the Soviet space programme were auctioned Saturday to raise money for former cosmonauts or their heirs, reports AFP.

The auction was the second of its kind held by Sotheby's, the New York auction house. But Saturday's event was not as successful as the one held in 1993.

Bidding only went as high as 500,000 dollars for the Vostok 3KA-2 space capsule. Because its value had been estimated at between 800,000 dollars and one million dollars, the capsule was not sold.

The capsule, with a dummy and a dog on board, was used in the last test flight in 1961 before the historic first manned space flight by Yuri Gagarin.

Among the most memorable items were the handwritten notes of Gagarin's commanding officer, Yegeny Karпов, which were made as the historic mission took flight on April 12, 1961.

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Einstein's manuscript leaves auction block unbought

NEW YORK, Mar 17: Albert Einstein's manuscript laying out his special theory of relativity left the auction block unbought, demonstrating that more than time is relative, reports AFP.

Sotheby's estimate for the 72-page paper, handwritten in German in 1912, was 4 million dollars to 6 million dollars, it sold to a private American collector in 1987 for 1.2 million dollars.

But the sales room was silent on Saturday as auctioneer David Redden started the bidding at 2 million dollars. He gave up at 3.3 million dollars. There was no bid above the secret minimum price set by the seller and Sotheby's.

Earlier in the day, a dog space suit fetched 22,000 dollars and a hunk of Sputnik 1 sold for 14,000 dollars at an auction of space memorabilia from the former Soviet Union.

But a space capsule got no takers. "What on earth would you do with it?" wondered George Glazer, a globe dealer at the sale.

More than 400 lots were for sale; sellers included cosmonauts, engineers and companies that designed and produced space gear.

Among the bids: The 1959 dog space suit, which was sold for well above its resale estimate of 10,000 dollars to 15,000 dollars. Three anonymous telephone bidders had panted for it.

The fragment of an oxygen tank from Sputnik 1, launched on Oct 4, 1957. Its 14,000 dollar hammer price eclipsed the estimate of 1,000 dollars to 1,500 dollars. It was the property of cosmonaut Georgy Grechko, the engineer who retrieved it.

A lunar globe, marked in red ink to denote spacecraft landings; estimated at 600 dollars to 800 dollars, sold for 10,000 dollars to a telephone bidder.

But the room was silent when it was time for the Vostok 3KA-2 capsule, estimated at 800,000 dollars to 1 million dollars. The auctioneer passed it at 500,000 dollars.

The spacecraft, 7 feet (2 meters) in diameter, orbited earth on March 23, 1961, for 115 minutes, and "returned safely to snowbound Russia."

Its passenger, a mannequin named Ivan Ivanovich, was sold for 189,500 dollars at a similar sale in Manhattan in December 1993.

The Russian seller of Vostok 3KA-2 said he was disappointed.

"Yesterday, someone offered me 600,000 dollars for it and I refused," said Sergei Zaytsev, who sells Russian space objects. He said he had bought the capsule in December from a Russian space design company.

In 1993, he made about 40,000 dollars, he said, enough to buy his son a two-bedroom apartment in Moscow.

China again woos Taiwanese investors

BEIJING, Mar 17: China sought today to reassure Taiwanese investors despite the heightened tension in the Taiwan Strait as its army prepares new military exercises close to the nationalist island, reports AFP.

"No matter what happens, the legal rights of Taiwan business people in the Chinese mainland will always be protected and trade across the straits is encouraged," said An Min, Director General of the Ministry of Foreign Trade and Economic Cooperation.

"Our military exercises target only those trying to create two Chinas, not common Taiwan people. We'll cling to the principle of separating political clashes from economic links, the official English-language China daily reported him as saying.

His comments came as the Chinese-US-China joint economic committee, which last year held its first meeting since Beijing's military exercises in the Taiwan Strait, a US official said today.

The two sides agreed in bilateral talks to hold a meeting of the US-China joint economic committee, which last convened in January 1994, the US treasury official said.

US Treasury Secretary Robert Rubin and his Chinese counterpart Liu Zhongli spoke Saturday on the sidelines of an Asia-Pacific Economic Cooperation (APEC) finance ministers summit which convened today.

"There was an agreement that talking is better than not talking so it was decided that these talks should continue, or restart," the official told AFP.

Rubin told Liu of the Washington's concern, however, over Beijing's missile exercises off the coast of Taiwan, aimed at deterring any moves towards independence by the island it considers a renegade province.

US, China to restart economic talks

KYOTO, Japan, Mar 17: The United States and China are to restart economic talks despite icy relations marred by Beijing's military exercises in the Taiwan Strait, a US official said today.

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Electronic money!

TOKYO, Mar 17: Major Japanese banks as well as electronics firms will join hands with a British company in launching electronic money in Japan, possibly in the year starting in April 1997, a daily said today, reports AFP.

Industrial Bank of Japan Ltd, Sakura Bank Ltd, Asahi Bank Ltd and several other banks plan to set up a joint venture with such high-tech technology firms as Nikon Telegraph and Telephone Corp and Hitachi Ltd in June this year in cooperation with Mondex UK, the Nihon Keizai Shimbun said.

Companies in the retailing and service sectors are also expected to join the venture, to be capitalised at up to five billion yen (48 million dollars), the Financial newspaper said.

Mondex is a joint venture between National Westminster Bank PLC and Midland Bank PLC, both of Britain. It operates an electronic money system which allows users to settle deals with electronic cards via special devices or telephones.

Exchange Rates Sonali Bank

The following are the dealing rates to public for some selected foreign currencies with Bangladesh Taka as on March 17, '96. (Figures in Taka)

Name of Currency	Selling		Buying	
	T.T. & O.D.	B.C.	T.T. Clean	O.D. Sight Export Bills
US Dollar	41.1610	41.2010	40.8650	40.7055
GB Pound	63.1338	63.1951	62.1702	61.9275
D Mark	28.1311	28.1584	27.6321	27.4617
F Franc	8.2033	8.2113	8.0609	8.0294
C Dollar	30.3276	30.3570	29.7990	29.6826
S Franc	34.8793	34.9132	34.2636	34.1299
JP Yen	0.3930	0.3934	0.3822	0.3807

A) TT (Doc) US Dollar Spot Buying Tk 40.7852

B) Usance Rate:

30 days	60 days	90 days	120 days	180 days
40.4660	40.1425	39.9190	39.9955	39.8484

C) US Dollar sight export bill 3 months forward purchase: Same as O.D. sight export bill buying rate.

Indicative Rates (B. Tk. for one unit of foreign currency)

Currency	Selling		Buying	
	T.T. & O.D.	B.C.	T.T. Clean	O.D. Sight Export Bills
S Riyal	Tk 10.9754	Tk 11.0381		
UAE Dirham	Tk 11.2070	Tk 11.2707		
Kuwaiti Dirham	Tk 137.6852	Tk 137.6253		
D Guilder	Tk 24.9566	Tk 24.6169		
S Krona	Tk 6.0547	Tk 5.9697		
Malaysian Ringgit	Tk 16.1962	Tk 15.9743		
Singapore Dollar	Tk 29.2607	Tk 28.8506		

Janata Bank

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	T.T. & O.D.	B.C.	T.T. Clean	O.D. Sight Export Bills
US Dollar	41.1620	41.2150	40.8660	40.7026
GB Pound	63.1431	63.2196	62.1691	61.9110
D Mark	28.1333	28.1673	27.6317	27.5170
F Franc	8.2039	8.2139	8.0607	8.0273
JP Yen	0.3937	0.3942	0.3841	0.3825
C Dollar	30.3299	30.3666	29.7985	29.6748
S Franc	34.8820	34.9241	34.2631	34.1208

Janata Bank's selling and buying rates in cash currency for public

Selling	US DLR	GBP	S Riyal	UAE DH	Kuwaiti Dinar
12.5000	10.7130	11.2707	11.2070	11.2707	136.8000
Buying	41.1500	62.8000	11.0000	11.2000	131.8000

Commodity market: Prices of tea, sugar up, gold stable over the week

LONDON, Mar 17: Amid dire predictions that the coffee market is in the throes of boiling over, some experts continue to talk of a "delicate phase," but the downturn of torrential rains on Colombian coffee plantations has transformed the London and New York markets, reports AFP.

By lashing the delicate coffee bushes, the tropical rains have disrupted harvest of the coffee "cherries". February's crop was a third of the size picked in the same month last year.

Worse, the downpour, if it persists, could damage the flowering of the coffee bushes and affect future crops. If these fears are realised, it would be a disaster for the markets.

Brazilian output (the largest in the world) will be much reduced this year because of bad weather in the past, and traders are counting on Colombia to compensate for this.

Another tropical product, cocoa, is down in the dumps after a bumper Ivory Coast harvest. Sugar meanwhile held firm at high levels, with delays affecting the Cuban harvest.

Elsewhere on the commodities markets, oil shrugged off the talks between Baghdad and UN over a resumption of limited Iraqi oil sales, and was buoyed by a jump in petrol prices on the US markets.

GOLD: Stable. This precious metal remained mysteriously calm after a tumultuous start to the year. Prices held around 396 dollars per ounce, hardly affected by the storm that hit Wall Street and its fellow

stock markets in Asia and Europe.

The markets fell was considered to slight merit a rush to previous metals.

The market was largely unaffected by riots at freeport-Mcmorans Irian Jaya gold and copper mine on the Indonesian side of New Guinea.

Numerous rioters from the local population were killed in violent confrontations with the police and army.

The riots, which started after a local was hit by a mine vehicle, were the worst civil unrest in the province since Indonesia assumed control of the former Dutch colony and they brought a halt to mining operations at the plant.

Environmental groups accused its American and Indonesian owners of "damaging the region in an irreparable way and doing local people wrong."

The mine admitted that it dumps some 100,000 tonnes of waste in local rivers every day. Last year, it produced 37 tonnes of gold and 442,000 tonnes of copper.

SILVER: Technical. Dealers said that silver gained from a technical lead, rising 20 cents to 5.55 dollars per ounce. It remained unclear if the metal was set for a true takeoff.

PLATINUM AND PALLADIUM: Rebound. These two metals cast off their tedium and jumped a few dollars to 140 dollars per ounce for palladium and 413 dollars per ounce for platinum. They both gained from some buying by American investment funds

COPPER: Rise. Strong American demand drove copper prices up some fifty dollars to 2,580 dollars per tonne before they slipped back to 2,540 dollars.

A hefty rise in the number of new house sold in the United States in January gave the market a boost, as copper is widely used for water pipes and electrical wiring.

Proof of this strong demand came in a fall in stocks held at London Metal Exchange (LME) warehouses, where an outflow of 3,950 tonnes took total reserves down to 339,575 tonnes.

LME: Furnace. Lead gutted even the gains made in copper, soaring to its highest level for five years at more than 800 dollars per tonne, up some 60 dollars over the week.

Its rise followed a fall in LME stocks of 8,725 tonnes to 89,725 tonnes, but the traditional period of strong demand for lead has passed with the winter in the northern hemisphere, which drove up demand for car batteries, a major outlet for lead.

Nonetheless, present low stocks may keep prices high for some time.

ZINC: Updrive. Zinc gained from the rise of copper and lead to rise almost 50 dollars to 1,100 dollars per tonne.

Dealers said that Japanese buyers bought up large quantities of surplus zinc to use in anti-erosive treatments, which added to the upbeat market sentiment.

But stocks remained plentiful despite a fall of 3,975 tonnes to 626,625 tonnes.

ALUMINIUM: Artificial. The metal was buoyed by copper and lead this week, and gained some 15 dollars to 1,648 dollars per tonne.

But stocks of aluminium are burgeoning (up 10,125 tonnes to 711,350 on the week), and a recovery in US demand is not strong enough to absorb the surplus output.

Aluminium will have to see a reversal in stock trends before it should even be considered as a bet, the trading house ONI advised its clients.

NICKLE: Up. The metal jumped back after last week's plunge, rising 250 dollars to 8,100 dollars per tonne, supported by the other base metals.