

Nepal's central bank buys Indian treasury bills

KATHMANDU, Jan 17: Nepal's central bank, the Nepal Rastra Bank (NRB), has for the first time purchased Indian Treasury Bills worth about 32 million dollars, a senior bank source said yesterday, reports AFP.

The central banks governors of Nepal and India recently concluded a bilateral agreement permitting the NRB to invest in the treasury bills carrying a seven per cent interest rate, the source said.

The treasury bills investment offered to NRB through non-competitive bidding is a specific facility provided by the Reserve Bank of India (RBI) against its practice of selling (bills) through tender bids, the source said.

The source indicated the possibility of investing in more Indian treasury bills in the coming months.

Nepal's central bank has foreign exchange reserves equivalent to some 768.62 million dollars, of which 156.86 million dollars were in the Indian currency.

Chinese central bank chief pledges to keep yuan firm

BEIJING, Jan 17: China's central bank chief pledged Friday to keep the Chinese currency stable amid Asian financial crisis, but rejected a cut in interest rates to spur slowing economic growth, says AP.

The promise by Dai Xianglong, governor of the People's Bank of China, came despite widespread expectations that China will soon devalue the yuan — also known as the Renminbi — to keep exports competitive with neighbours whose currencies have fallen as much as 70 per cent.

The maintenance of a stable Renminbi is China's contribution to financial stability in Asia, Dai said at a news conference.

China has largely escaped the impact of a financial crisis that began in Thailand in June and also has hammered the economies of Malaysia, South Korea, Indonesia and Hong Kong.

US Deputy Treasury Secretary Lawrence Summers, who met with Dai and other top Chinese officials Thursday, told reporters China was committed to a firm yuan. The currency does not trade freely, it is convertible only to buy and sell Chinese goods, keeping it out of reach of speculators.

Dai also rejected a cut in interest rates to spur economic growth, which fell last year to 8.8 per cent from 9.6 per cent in 1996. He said China "would continue to carry out appropriately tight monetary policies."

The central bank last cut interest rates in October.

China's retail prices have declined for three straight months, fueling fears that the country could be sliding into a deflationary period.

Labour unrest may be next challenge for South Korea

SEOUL, Jan 17: There's an old Korean saying that "the ground becomes firm after it rains," says AP.

That sums up analysts' predictions for South Korea — that its financial crisis could eventually produce a more solid economy and a strengthened democracy.

But first, of course, comes the rain. And everything, they say, depends on how Koreans weather.

A million more unemployed. Thousands more corporate bankruptcies.

A 10 per cent rise in consumer prices.

Loss of services from a pared-down government.

A decline in the general standard of living.

In short, Koreans are being asked to make soul-wrenching changes as they struggle to restructure their outdated economy and pay back a record 57 billion dollars bailout from the International Monetary Fund.

"I'm scared," said Han Hee-jin, a 50-year-old Seoul seamstress. "This isn't where I thought we were headed."

Analysts believe Korea is probably headed for labour unrest, though they differ on how strong and how long-lived it will be. None see the kind of unrest that might bring a return to the military dictatorships of the recent past.

Abating the sting of unemployment somewhat is a government promise to increase jobless payments and the Korean tradition of relatives helping each other in hard times, said Kim Dae-il, labor economist with the Korean Development Institute.

"Family ties here are quite strong, but at the same time the situation is bad," he said. "It's likely we will have some strikes, but we have to wait and see."

Foreign trade increases

Traffic thru' Ctg Port hits record high

CHITTAGONG, Jan 17: Traffic through the country's major seaport here registered a record increase of one and a half million metric tons in the just-ended year '97 despite labour unrest at the port.

Port officials attributed the record rise in traffic to an increase in the foreign trade of the country.

According to port reports, in the year '97 Chittagong Port handled 11 million metric tons of cargo including 9.6 million tons of imported goods while in the year '96 it handled only 9.5

From Staff Correspondent

million metric tons of cargo including 8.1 million metric tons of imported goods.

The port in '97 handled over three hundred thousand containers as against two hundred sixty three thousand in '96, port reports said.

The number of ships handled in the year '97 stood at 1251. Port officials informed.

They informed that the dislocations caused by strike of dock labourers and other unrest were made up later by keeping the port open round-the-clock with special measures.

Export earnings in jute sector rise

NARAYANGANJ, Jan 17: A sum of Taka 254 crore 6 lakh have been earned by exporting 13 lakh 85 thousand bales of jute during the period from July to December 1997 in private jute sector, reports BSS.

Bangladesh Jute Association (BJA) source said Taka 242 crore 92 lakh were earned by exporting 8 lakh 77 thousand bales of jute during the corresponding period in 1996.



On pavements in the city's busy Motijheel area, vegetable vendors find business better as buyers from the office para do the shopping on their way back home.

— Star photo by Amran Hossain

SEA must not be shut from world market: WTO chief

LONDON, Jan 17: Southeast Asian countries must not be shut from world markets despite the temptation to look for protection against exports in the wake financial turmoil in Asia, World Trade Organisation Chief Renato Ruggiero said yesterday, reports AP.

Ruggiero, in a lecture at the Royal Institute of International Affairs, said that the Asian crisis was the first major test of an interdependent global economy.

The WTO Director General said there was a need to "resist protectionist pressures and to keep markets open, without which no lasting confidence or stability can return," adding that this is "not a hypothetical concern."

"Exports from Southeast Asia can be expected to rise, perhaps significantly, both because of currency devaluations and the need to finance external debts," he said.

"At the same time, the imports of East Asian countries are projected to shrink overall because of slowing growth and declining purchasing power, though possibly not as much as expected as these countries are also highly dependent on intermediary inputs and raw material from abroad."

The effects will also be felt to some degree in the rest of the world — especially the US, the EU and Japan," he said.

US businessmen brace themselves for cheaper Asian imports

ATLANTA, Jan 17: US consumers may cheer a wave of cheaper Asian goods coming into the country, but it's hardly good news for American companies that have to compete with them, reports AP.

As the financial crisis in Asia continues, Americans in import-export businesses, electronics chains and textiles manufacturers are bracing themselves for cheaper goods from Asian countries whose currencies have been battered to new lows.

"That's a major concern for us," said Al Howell, spokesman for the Southeastern Apparel Manufacturers and Supplies Association.

Howell, like officials in other US sectors that compete with the idea in Asia made with a decision to cut prices of products from cars to computers, said there hasn't yet been a big impact from the region's financial crisis on prices in America.

But many economists and trade activists expect the comparative strength of the dollar and efforts by some struggling Asian companies to raise cash with bargain sales to result in cheaper imports.

Gene Milosh, of the American Association of Importers and Exporters, said lower prices from Asia might start showing up in the next couple of months.

"If there is no stabilization of the currency, then you will have all kinds of pressure," Milosh said. "There will be pressure to lower the prices."

"We are in position to help the Asians, but how much and for how long is the question," Milosh said, adding that lower Asian import prices and increased competition in the United States may spur protectionist sentiment in Washington.

The turbulence sweeping through Asia since last summer has sent currencies in Thailand, Malaysia, Indonesia and Korea tumbling to record lows. At the same time, the dollar has been soaring, making US goods pricier overseas, and Asian goods cheaper.

Global march against child labour begins from Manila

MANILA, Jan 17: Led by dancers in colourful carnival costumes, hundreds of children and child rights activists Saturday kicked off a campaign to save children around the world who are forced to work, reports AP.

The marchers, chanting "Children have rights, stop child labour," carried a large banner with the words "Justice for all children" as they walked around a park in suburban Quezon City.

The Global March Against Child Labour seeks to promote children's rights, particularly the right to education and to be free from economic exploitation, dangerous occupations, and work that damages children physically, mentally, emotionally and spiritually, organisers said.

The campaign is backed by

about 300 organisations worldwide and is supported by the International Labour Organisation, organisers said.

It will take a core group of about 50 children and child rights advocates to Vietnam, Cambodia, Thailand, Malaysia, Singapore, Bangladesh, Iran, Turkey and across Europe to rally support against child labour.

The group is expected to reach Geneva, Switzerland in June 1998 when the ILO meets to draft a new child labour accord banning the most intolerable forms of child labour.

There are an estimated 250 million child laborers around the world who are forced to work and who abandon school at an early age.

Govind Prasad Khanal, a 14-year-old boy from India, said he was only nine when he was

forced to work as a domestic helper when his father fell ill.

The family he had worked for two years never fulfilled its promise to put him in school.

"Every child in every country should be given primary education," he said. "Every country should be absolutely free from child labour."

The Rev Shay Cullen, an Irish Catholic missionary well-known for his campaign against child sexual exploitation in the Philippines, said 5-6 million children around the world work in the most intolerable forms of child labour, such as prostitution.

Child labourers also work 12 hours in factories and spend 19-hour days as household workers for other families. Many children start work in farms as young as four and five, he said.

Shaken Asian stock markets rebound

HONG KONG, Jan 17: The Asian economic crisis closed a tumultuous week with shaken stock markets rebounding, partly on hopes that Japanese officials are finally getting serious about restoring their stalled economy, reports AP.

Top officials of the International Monetary Fund and the Clinton administration made the final stops on a confidence-boosting tour designed to shore up support for the tough austerity programs being required of South Korea, Indonesia and Thailand as a condition for receiving 100 billion dollars in bailout support.

The belief is that sticking to the belt-tightening doctrine preached by the IMF will calm nervous investors and encourage them to return to stock and currency markets.

"Confidence is crucial to the restoration of financial stability," US Deputy Treasury Secretary Lawrence Summers said in South Korea, his last stop on a six-nation tour.

IMF Managing Director Michel Camdessus was delivering the same message in Malaysia, where he said the steps taken by Malaysian Prime Minister Mahathir Mohamad were "so far so good."

Stock prices surged in Tokyo, with the 225-issues Nikkei stock average jumping 6.11 per cent. The euphoria came from investor hopes that

the Japanese government is prepared to go further to cut taxes and boost government spending in an effort to restart the world's second-largest economy.

The Hong Kong stock market rebounded on Friday, rising by 3.7 per cent. The improvement came despite the fact that Moody's Investors Service downgraded the outlook for three major Hong Kong property companies based on concerns of prolonged weakness in the city's property markets.

The Asian currency crisis has dragged stock markets lower around the world on investor worries that declining exports to the region will slow economic growth back home. Likewise, Friday's rebound in Asia lifted markets elsewhere.

The Dow Jones industrial average gained 61.78 points to close at 7,753.58.

The Hong Kong market had plunged to near a three-year low on Monday following the failure of the city's biggest investment banking firm, Peregrines, which fell victim to the deteriorating economic situation in Asia.

Against a backdrop of rumors of even bigger business failures to come, King Chee-wa, Hong Kong's chief executive, had appealed Wednesday for the city's 6 million residents to back stabilization efforts while conceding that "the storm is not

over yet."

Hong Kong officials insisted all week they dealing effectively with the latest turmoil despite growing anxieties that the Hong Kong dollar could be the next Asian currency to tumble if China goes back on promises to keep the Chinese currency strong.

Joseph Yam, the head of the Hong Kong Monetary Authority, told a group of visiting American journalists Friday that his 96 billion dollars in foreign exchange reserves gave him all the firepower needed to fight off currency speculators.

He said the stability of the Hong Kong currency made the city an "oasis of calm" compared with the steep plunges of many other Asian currencies.

But Hong Kong's success so far has come at a price — sharply higher interest rates which have cut into growth and sent property prices plunging.

In South Korea, the main stock index fell by 3.5 per cent over fears of rising bankruptcies as that country undertakes painful reforms as part of its 57 billion dollars IMF rescue package.

Summers appealed to South Korea to strike a deal quickly on rescheduling its short-term debt obligations in order to remove the threat of an imminent default on the country's obligations. Camdessus on Thursday had

won approval by Indonesian President Suharto of a tough new agreement on specific reforms needed to end the system of crony capitalism that has benefited Suharto's friends and family.

It was vacillation on the part of Suharto about carrying through with his earlier commitments that triggered the latest market turmoil, prompting President Clinton to dispatch Summers to the region.

Even with signs countries are getting serious about implementing the IMF reforms, some analysts worried that Asia's troubles are so pervasive that the region is looking at a prolonged period of sluggishness, unlike Mexico, where growth resumed after a brief recession.

In Indonesia, Thailand and South Korea, it will be years before the bubble settles," said William Overholt, managing director of Bankers Trust Co of Hong Kong.

Peter Churchhouse, managing director of Morgan Stanley Asia Limited in Hong Kong, said he believed the foreign currency crisis had about run its course, but that the economic fallout in terms of business failures and rising unemployment was only beginning.

"There is a lot of bad news still to come in the way of bankruptcies and bad corporate earnings reports," he said.

BOI opens counter at ZIA to receive foreign investors

Board of Investment in its effort to attract the foreign investors set up a counter at the Zia International Airport to give them first hand welcome on arrival, reports UNB.

Executive Chairman of Board Farooq Sobhan inaugurated the counter styled as "BOI Welcome Service for Foreign Investors" yesterday morning.

Manned by BOI officials, the newly established counter will be working round the clock to provide services to the foreign investors at the airport.

Speaking on the occasion, the Chairman urged the BOI officials to handle the foreign investors with due care and proper attention.

"You will be the first person to receive the investors and the impression you will create in

them about Bangladesh will be the most lasting one," he added.

President of Foreign Investors Chamber of Commerce and Industry termed the occasion as very positive and investment friendly step-forward. He hoped that this step of BOI would further encourage the foreign investors to come in Bangladesh in a bigger way.

The BOI will soon supply a small flier containing this information to all international airlines having flights to Dhaka for distribution among the incoming investors along with the embarkation form.

The same flier will also be supplied to the Bangladesh Embassies and missions abroad for distribution to the foreign investors.

Shipping Intelligence

Berth position and performance of vessels as on 17.1.98

Berth No	Name of vessels	Cargo	L. port call	Local agent	Date of arrival	Date of Leaving
J/1	Sarah-1	G	Yang	Cross	20/12	22/1
J/3	Linghai-18	C.Clink	Sing	MBL	10/12	23/1
J/4	Arktis Queen	G	P.Kel	Sunshine	30/12	15/1
J/5	Brave Pescadores	G	Sento	Radiant	24/12	18/1
J/6	Arktis Trader	G	Sing	Sunshine	1/1	17/1
J/7	Al Shams	G	Viza	Prog	26/12	17/1
J/8	Peng Chi	G	Sing	BDShip	31/12	22/1
J/9	Qing Yang	G	Sing	QCSL	29/12	16/1
J/10	QC Teal	Cont	Sing	RSL	4/1	17/1
J/11	Padma	Cont	Sing	Pil(BD)	6/1	18/1
J/12	Mregina	Cont	Sing	Baridhi	5/1	16/1
J/13	Optima	Cont	Sing	Pil(BD)	6/1	17/1
CCT/2	Kota Bintang	Cont	Sing	QCSL	5/1	17/1
CCT/3	Deligence Cont	Cont	Sing	TMIL	28/12	18/1
RM/14	Jin Cheng Jiang	PSP	Sing	Seacom	31/12	17/1
CCJ	Petchmanee	C.Clink	Sing	Long	1/1	15/1
RM/4	Won San	Cement	Long	USTC	12	17/1
RM/5	Ras Al Zour	HSD	Kuwa	MSTPL	1/1	15/1
DOJ	Banglar Jyoti	C.Oil	Para	BSC	R/A	15/1
DDJ/1	Tannery Star	IDLE	Para	PSAL	-	-
RM/5	High Mountain	Cement	Kind	PSAL	R/A	20/1
RM/3	Banglar Kallol	Repair	B.Abb	Move	17/12	24/1
Kafco(U)	Leona	Urea	Sing	MBL	R/A	18/1
Et.Ocean Echo	P.Mat	Sing	MBL	30/9	-	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. port call	Local agent	Cargo	Loading port
Kekal Satu	15/1	-	B.Bay	P.Mat	-
IB Everett	15/1	-	Everett	G	-
Cape Hattaras 12/1	15/1	Sing	RSL	Cont	Sing
Kota Cahaya 5/1	15/1	Sing	Pil(BD)	Cont	Sing
Al Swamiruz	16/1	Mong	ASL	-	-
Ho Chi Minh	16/1	-	AASS	M.Seeds	-
Bangka Diraj 11/1	17/1	Sing	BDShip	Cont	Sing
Myoharyang-2	16/1	-	PSAL	Cement	-
San Pablo	-	-	-	-	-
(Roro/24) 31/12	17/1	Col	JF	Vehi	-
Bonanza (48) 13/1	17/1	Sing	MBL	GIIP(Equip)	-
Hai Mao	18/1	Mong	MBL	Scraping	-
Star Antares	18/1	-	Everett	Urea	-
Gretke Oldendorff	19/1	-	Rainbow	R.Seed	-
Kota Berjaya 11/1	19/1	Sing	Pil(BD)	Cont	Sing
Sea Horse	21/1	Sing	Seacom	GI(Copra)	-
Banglar Robi 13/1	21/10	Sing	BSC	Cont	Sing
Da Fu 12/1	21/1	Sing	APL(B)	Cont	Sing
Tamduh (487/1)	22/1	-	Simni	R.Coch/GI	-
Sotoon	22/1	-	Simni	Scraping	-
Kota Alam 6/1	23/1	Sing	Pil(BD)	Cont	Sing
Dewan-1	24/1	Kara	AML	GI/GL	Kara
Sea Elegance 14/1	24/1	Sing	Pil(BD)	Cont	Sing
Asian Harp	-	-	-	-	-
(Roro/24) 13/1	4/2	-	BBA	Vehi	-

Tanker due

Name of vessels	Date of arrival	L. port call	Local agent	Cargo	Loading port
Nidia	16/1	Kuwa	MSTPL	HSD	-
Al Kuwaitiah	16/1	Mina	MSTPL	HSD/JP-1	-
Sun Emerald	17/1	Sand	Lams	CFO	-

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Ismaya	-	-	B.Bay	9/1
Orizont	-	Sing	B.Bay	25/2
Walter	-	-	B.Bay	1/1
Setta Abadi	-	-	B.Bay	R/A(27/12)
Seabulk Besty	-	-	B.Bay	R/A(5/1)

Vessels at outer anchorage

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Norbulk Oak	G	S.Hai	Prog	1/1
Kury Ong	Cement	Sing	Delmure	9/12
Bharatendu	G	Mad	SSL	5/1
China Star	G	Sing	Everett	6/1
Ultima (Cont)	Cont	Col	Baridhi	7/1
Mirdamad	Cont	Sing	SSL	8/1
Sea Energy	G	Sing	Prog	10/1
Johanna	Cont	Sing	RSL	10/1
QC Pintail	Cont	Sing	RSL	10/1
Sin Hai	Cont	Sing	QCSL	13/1
Banglar Shourabh	C.Oil	Sing	BSC	R/A
Vanessa	Cont	Col	Baridhi	13/1
Baltimar Venus	GI(Copra)	Yand	Litmond	14/1
Feng Yan	G	S.Hai	Baridhi	14/1
Lerrort	Cont	Sing	RSL	14/1
KKK	G	Mad	Oil	15/1
Chilham Castle	HSD	Kuwa	MSTPL	9/1

Vessels awaiting instruction

Great Best-1	Cement	-	USTC	R/A(18/12)
Banglar Urmil	-	-	BSC	R/A(4/1)
Banglar Mamata	-	-	BSC	R/A(12/1)
Ya Feng	Cement	Hand	Dejmure	R/A(13/1)