### Business Club Australia launched

Australian Trade Commis-sion (Austrade) has recently launched the Business Club Australia, says a press release.

On the eve of the new millennium, Australia Open for Business is a global strategy of the Australian Government Sydney 2000 Business Initia tives and Business Club Australia is a part of the initiatives. It presents international business with a range of Australian trade and investment opportunities.

Business Club Australia has been established to assist international business people make connections with Australian companies. Business Club Australia offers membership to international business people interested in buying from, or investing in. Australia and planning to visit Australia sometime before the end of

Benefits of the membership include broader networking base for supply of up to date business information, assistance in business matching, priority access to business events globally, assistance for visit to Australia and follow up support, pre visit assistance to maximise a trip to Australia, a hotline call centre, and special status at the time of the 2000 Olympic.

Launching of the Business Club Australia began from the meeting with Austrade representatives and the President & **Executive Committee Members** of the Dhaka Chamber of Commerce and Industries.

### Retail sales up in US

WASHINGTON, Sept 18: Al though American consumers continued to fill new homes with furniture and bought plenty of back-to-school clothes in August, analysts see signs of a slowdown in the shopping spree that has helped insulate US companies from economic crises abroad, reports AP.

"There's no sign of a collapse here, but there is slowing, and factors abroad could brake spending even more," said Paul Kasriel, chief domestic economist for Northern Trust Co in Chicago.

Retail sales increased a mild 0.2 per cent to a seasonally adjusted 224.8 billion dollars in August, the Commerce Department said Tuesday. That looks at first glance

like a big improvement from a 0.6 per cent drop in July, an even larger plunge than first reported. But a strike at General Motors knocked car sales way out of kilter this summer, and outside the automobile category, sales of other retail goods have slowed.

In August, retail sales excluding autos grew by a relatively modest 0.3 per cent compared to a 0.6 per cent jump in July that was nearer the average for this year.

Heavy spending by American consumers has been the most important factor keeping production by US companies on the upswing in spite of big increases in the trade deficit. A spreading global financial crisis, which started in Asia, is drying up markets for American, products overseas.

Fear that the hard times abroad will hit corporate profits at home has made Wall Street investors jumpy in recent weeks, resulting in wide swings in the Dow Jones indus-

trial average. On Tuesday, the Dow rose 79 points to close at 8024.39. Analysts say Americans

with one eye on the rest of the world's troubles are also starting to shop more cautiously even though unemployment remains near a 28-year low. and most people's incomes continue to rise.

In August, sales of durable goods, or items expected to last three years or more, were unchanged after July's 2.1 per cent slide caused mainly by the GM strikes.

Before July, durable goods sales had grown in every month this year except March.

#### Foreign fund utilization falls in China

BEIJING, Sept 18: Utilized foreign investment in China fell during the first eight months of 1998, compared with a year earlier, while promised investment rose, the government announced Friday, says

China's actually used foreign investment from January to August slipped 1.45 per cent to 27.42 billion dollars from the same period in 1997. Meanwhile, contracted foreign investment rose 6 per cent in the first eight months to 31.7 billion dollars the Ministry of Foreign Trade & Economic Co-

operation said. China's actually utilized foreign investment for August inched-up 0.54 per cent compared with a year earlier to 3.54 billion dollars, the ministry said in a report published in the official newspaper China Securities News.

August contracted investment fell 2.6 per cent, however, to 3.68 billion dollars the report said, without providing

additional comment or details. The government has been struggling to attract strong foreign investment flows now that Asia, the main source of funds. is in an economic slump,

Non-resident travellers must declare currencies by next month

# Malaysian central bank announces new rules

KUALA LUMPUR, Sept 18: All non-resident travellers to Malaysia will be required to declare foreign currencies and ringgit brought in and out of the country by next month, the central bank said yesterday, reports AFP.

The regulations are part of Bank Negara Malaysia's drastic currency controls announced earlier this month, in its bid to withdraw the ringgit out of international markets and regulate its circulation.

The travellers declaration form (TDF) will ensure that non-resident travellers "do not take out more (money) than they bring in." Bank Malaysia's Assistant Governor Awang Adek Hussin told a news brief-

By September 21, all non-resident travellers are required

to complete the form in 10 key entry points in peninsular Malaysia, including the second Malaysia-Singapore link as well as in the Sabah and Sarawak states on Borneo Island.

This requirement will be ex-tended to both incoming and outgoing travellers at 34 major entry and exit points by October 1, the central bank said.

Under the new rules, a nonresident traveller entering Malaysia can carry any amount of foreign currency notes and travellers checks denominated in foreign currencies but must declare them to the authorities.

Upon leaving the country, the non-resident traveller is allowed to take out the same amount of foreign currency notes and travellers checks that

he or she brought in. Similarly resident travellers

are permitted to carry any amount of foreign currency notes and travellers checks when returning to Malaysia but can only take out up to the equivalent of 10,000 ringgit (2.631 dollars) in foreign currency and travellers checks.

Both resident and non-resident travellers are permitted to carry up to 1,000 ringgit when entering or leaving the country.

Residents are only required to declare to the authorities if they carry currency notes above the permitted limits. All travellers must seek prior written approval from Bank Negara if they exceed the permitted

Penalties for violating the regulations "could be up to

10,000 ringgit in fine or three years in prison or both, and the money can be confiscated," Awang warned.

A resident is defined as a Malaysian citizen, including those with permanent resident status outside Malaysia, locals working overseas and Malaysian permanent resi-

A non-resident is any Malaysian citizen who has permanent resident status outside Malaysia and lives outside Malaysia, as well as expatriates working in the country, Awang

He said the new controls did not cover the use of credit cards overseas but he warned curbs may be imposed if there was excessive spending on credit

## \$12.5b foreign aid bill approved

# House rejects Clinton's request for \$18b to replenish IMF

WASHINGTON, Sept 18: The US House of Representatives brushed aside warnings of dire global consequences and snubbed President Bill Clinton's request for 18 billion dollars to replenish the International Monetary Fund, says AP.

Despite a Democratic outcry. the Republican leadership did not even permit a vote on the full amount Thursday as it passed a major foreign aid bill.

Instead, the House forged ahead with a version approved last week by its Appropriations Committee earmarking just 3.5 billion dollars for the Washington-based international lending agency.

After efforts to increase the IMF funds were ruled out of order, the House approved the overall 12.5 billion dollars foreign aid bill 255-161, with most of the opposition coming from Democrats. They rejected IMF money was in the form of a line of credit and would not have

added to the bill's total. Clinton has said the 18 billion dollars is needed desperately to help the IMF rebuild its resources after mammoth loans to Asia and Russia and to help keep economic crises gripping much of the world from spreading through Latin America.

Republican leaders held out the possibility the president might still get the full amount. They noted it could be revived in a House-Senate conference committee that will settle differences in versions of the foreign aid bill passed by the two chambers.

The Senate-passed bill contains the full 18 billion dollars. But House Republican leaders said they would insist that the money be tempered by con-

IMF lending practices. There is not going to be any money appropriated by this

ditions designed to overhaul

House until serious reforms have passed", said Ren Sonny Callahan, chairman of the Appropriations subcommittee on foreign operations.

Even as the House debated the legislation. Secretary of State Madeleine Albright said Thursday she would recommend a veto against the legislation in its present form.

With the nation looking to Washington to calm " a jittery world economy, it is, frankly, hard for me to understand why the leadership of the House of Representatives - the people's house — would fail to support IMF funding to the utmost," Albright said in a speech to a foreign policy organization.

Vice President Al Gore, with Clinton at a fund-raiser in Boston, noted that problems with economies in Asia and elsewhere are beginning to have an impact on the US economy.

He criticised countries in the

euro currency zone, saying Eu-

rope's finance ministers were

not making enough effort to re-

duce public deficit, only one

year after adopting a growth

had been "very relaxed on the

fiscal side," according to the FT.

that, and I presume that if the

world community were to agree

on really reducing interest rates

further, then the European

ministers of finance should

start by consolidating their

budget position further," he was

Weaker Aussie

dollar helps raise

mineral export

earnings

weaker Australian dollar

helped increase Australia's

mineral and energy export

earnings by 13 per cent to a

record 40.8 billion Australian

dollars (one Australian dollar

to 0.59 US cents) in the past fi-

nancial year ending June 30,

according to official figures re-

leased here vesterday, reports

rector of the Australia Bureau

nomics (ABARE), said Thursday

the "stronger performance (by

the nation's mineral and energy

sector) reflected both higher

Australian prices because of the

13 per cent depreciation of the

Australian dollar against the

US dollar and increased export

volumes for most minerals and

as a result of the Asian finan-

cial crisis has made Australian

A weaker Australian dollar

energy commodities."

of Agriculture of Research Eco-

Brian Fisher, Executive Di-

CANBERRA, Sept 18: A

Camdessus argued that they

"I have my objections to

and stability pact.

quoted as saying.

Xinhua.

#### Weekly currency roundup

Local market

During the previous week (September 13-September 17) the demand for US dollar remained high but was range-bound. The impact of flood on foreign exchange started fading away along with the receding flood water. USD traded in a narrower range of BDT 47.20 and BDT 47.24. Increased supply of USD due to high inward remittances mainly from wage earners capped US dollar's rise against Taka. Average daily forex turnover was around USD 42 million. World Bank and IMF officials assured that the import of essential commodities to meet emergency would not exert undue pressure on our foreign exchange reserve. The payment against Treasury bills (T-bills) of new tenors

and the maturity of T-bills of old tenors created a mismatch in the money market. This mismatch will continue as long as all T-bills of old tenors do not mature.

On September 13, Bangladesh Bank accepted the following Treasury Bills:

Amount (million Taka) Tenor 8.54% 28 days 2,215 9.10% 91 days 364 days 10.75% 12.00% Payment against these T-bills pushed the call rate up on

Monday. Call rate remained high on Tuesday as the market remained short of liquidity. On Wednesday, T-bills worth of BDT 4570 million matured which drove the call rate down to 6.5% and 7.5%. Due to the mismatch between the payment and the maturity. The call rate remained low on Thursday. The call rate is also expected to remain low on Sunday next (September 20) as the next auction of T-bills (3rd auction) would take place on the same day.

International market

International forex market remained focused on a rumour about a possible Fed Rate Cut. But Alan Greenspan, Chairman of the US Federal Reserve, did not hint upon any such possibility, G7 Finance Ministers, in their meeting in London, expressed in unison, their commitment to prevent the world from going into a recession. Keneth Star's report did not have much impact on US dollar. On the contrary, growing support for Clinton underpinned US dollar's rise against yen. Malaysia tightened their control over ringgit by introducing a 2% band on a fixed rate of 3.8000. Meanwhile some experts expected Chinese yuan to devalue by 30% by the next year. Japan's banking sector problem still remained a bane for Japanese yen. International markets remained wary about spilling over of South Asian and Russian crisis into the brooding Latin American crisis. Standard & Chartered

## ASEAN endorses agri cooperation plan

HANOI, Sept 18: Southeast Asian ministers today endorsed a plan on regional cooperation in food, agriculture and forestry as they ended a two-day meeting

here today, says AFP. The strategic plan of action for the 1999-2004 period identi fles strategic action pro grammes and activities in an effort to enhance regional food security and the international competitiveness of ASEAN products.

The plan endorsed by agriculture and forestry ministers from the Association of Southeast Asian Nations (ASEAN) ministers also deals with sustainable utilisation of natural resources and the involvement of the private sector, according to a joint press statement.

At their meeting, the ministers discussed the impact of the current economic crisis in the region of food, agriculture and forestry.

They expressed their concern over an increase in unemployment, poverty and in some cases shortage of food resulting from the crisis.

The participants called for greater cooperation within ASEAN to cope with the crisis together with the climatic changes which have hampered the performance of agriculture and forestry in various member countries.

Delegates from the ninemember countries of ASEAN as

well as Cambodian observers took part in the 20th meeting of the ASEAN Ministers on Agri-

culture and Forestry (AMAF). AMAF is the highest level annual meeting to boost cooperation on agriculture and forestry within ASEAN which groups Brunei, Indonesia, Laos, Malaysia, Myanmar, Philippines. Singapore. Thailand and

#### Support for euro increases

BRUSSELS, Sept 18: Support for the European single currency has risen to a record high of 60 per cent of EU citizens, according to poll results published yesterday by the European Commission, says AFP.

The level of support registered in polls carried out between April and May of this year was 10 per cent higher than in the autumn of 1997.

Across the 11 countries which will adopt the euro on January 1 of next year, support for monetary union reached 66 per cent.

In Austria (56 per cent), Finland (53 per cent) and Germany (5) per cent), it was the first time that a majority of citizens expressed support for the pro-



demonstration of the iMac desktop computer at the Apple Expo in Paris on Thursday. Apple Inc, which was drowning in red ink a year ago, is making money again and the iMac is riding an early wave of popularity, a positive early sign for the company's most important consumer product in years. Apple Inc. announced last August in the USA that it took 150,000 advance orders for - AP/UNB photo the iMac.

#### IMF forecasts World economy to grow by around 2 pc this year PARIS, Sept 18: The world economy will grow by around two per cent this year, down from an earlier forecast in April of 3.1 per cent, according to the International Monetary Fund, reports AFP. The new figure - which is still to be finalised -- was given by IMF Managing Director Michel Camdessus, quoted in the Financial Times yesterday. The lowered expectation was attributed to intensifying global financial turmoil, with the French banker laying the blame on political leaders in Russia and Japan. The IMF chief did not expect a uniform cut in interest rates in Europe and the United States, which he said are at different stages in their economic

Apple co-founder Steve Jobs laughs during a

# Moscow moves to pump more money into economy

MOSCOW, Sept 18: The Central Bank moved Friday to help the troubled banking system by infusing more money into the economy — a risky move that immediately triggered a further plunge of the rouble, says AP.

Russia's new government wants to make sure the country's banks don't fail, and it also wants to pay overdue debts to state workers. But economists have warned about the dangers of hyperinflation if the government pumps too much money into the economy to meet these goals. Prices soared 43 per cent in the just the first two weeks of September. The Central Bank invited

leading Russian banks to submit lists of all outstanding debts and said it would lower reserve requirements for banks in relatively sound financial position

That means the banks wouldn't have to keep as much money on hand, and could settle debts, improving the overall liquidity in the financial mar-

The Central Bank also plans to redeem treasury bills with maturities through Dec. 31. 1998, from selected Russian banks. Those treasuries had been frozen by the Central Bank in a controversial debt restruc-

ture plan announced along with the devaluation of the rouble on

Andrei Kozlov, the Central Bank first deputy chairman, said the bank would print money to pay for some of the treasury bills. Kozlov wouldn't say how much money would be printed, but stressed it would be strictly limited. Meanwhile, the rouble was

down again and was nearing its all-time low of 20 to the dollar reached earlier this month. At the Moscow Interbank

Currency Exchange, US dollars for next-day delivery opened at 18-20 roubles in over-thecounter trading, from 15 on Thursday

"I think it's because the Central Bank is likely to print roubles, said Pyotr Neimyshev. chief trader at Chase Manhattan Bank International.

Most Russian media assessed the Central Bank's move as a lesser of two evils.

"The decision made by the Central Bank is justified," said the business daily Kommersant. "Today we already have the rouble falling and inflation. but the nation can't live without the banking system."

The non-payment crisis has caused bank activities such as money transfers to come to a virtual standstill, including tax payments to the federal budget. It has threatened to bring proader economic activity to a halt if no action is taken.

The rouble devaluation and forced debt restructure dealt a hard blow to Russian banks. putting many on the verge of collapse. They have also incurred huge losses to foreign in-

## Three arrested in Russia for bank scandal

MOSCOW, Sept 18: Three people have been arrested in a high-profile case involving accusations that banks embezzled 237 million dollars in govern ment funds that had been intended for supplying fighter aircraft to India, a news report said Thursday, reports AP.

Russian prosecutors have been investigating accusations that Unikombank, one of the country's largest banks, and Andrei Vavilov, former deputy finance minister and now adviser to the gas monopoly Gazprom. diverted 512 million dollars in government funds in two separate deals in 1996 and early 1997. The aircraft deal alone was worth 237 million dollars, the ITAR-Tass news agency said.

Both Unikombank and Vavilov denied the allegations. Vavilov has been among those mentioned as a possible finance minister in the new government, and he held meetings with top government officials on Thursday.

Two arrests were announced earlier this month in connection with the deal involving the sale of MiG fighter aircraft to India.

ITAR-Tass identified the two arrested suspects as Maxim Tkachyov, former financial director of the MAPO-MiG company, and Dmitry Baranov chairman of the Kreditny Soyuz

ITAR-Tass, which cited an unidentified source in the Prosecutor General office in its report of a third arrest Thursday. gave no additional details.

## US Congress votes for avoiding govt shutdown

WASHINGTON, Sept 18: Sig naling that Republicans want no part of an election-season government shutdown, the House and Senate voted to keep federal agencies open next month despite raging budget fights between Congress and President Bill Clinton, reports

The House voted 421-0 to let agencies function through October 9 to give Congress and the president more time to complete their budget work. The Senate followed Thursday night with a voice vote, whisking the measure to Clinton's desk. Fiscal year 1999 begins Oc-

tober 1, but so far legislators have sent Clinton just one of the 13 annual spending bills needed for the new year. With Election Day seven

weeks off, the House and Senate votes underlined how eager Republicans are to preclude letting Clinton shift the focus from impeachment talk. Democrats went along after concluding that with the exhaustive media coverage of Clinton's affair with Monica Lewinsky, the former White House intern, a noisy fight on the uncontroversial stopgap bill would have received little attention.

The measure is "straightforward, and doesn't include any extraneous or controversia matters that might result in a government shutdown," said House Appropriations Commit-

tee Chairman Bob Livingston. He also cautioned, "There's still a lot of work in front of us." . Indeed, the White House has threatened vetoes on seven of the 12 remaining spending bills, shedding doubt on whether they can be completed by October 9 so lawmakers can

go home and campaign for re-

Unresolved disputes include Clinton demands for more money for education, environmental and high technology programmes; a fight over using statistical sampling to refine the 2000 census; and Republican plans to hinder Clinton from implementing the unratified Kyoto treaty on global warming.

Republicans said spending work was running late because of the complexity of the disagreements and Congress' unprecedented failure to pass a budget, which maps the year's fiscal plans. But Democrats said Republicans have purposely sought to confront Clinton on the bills and were delaying them in hopes of winning a strategic edge.

#### Share trading in Russia suspended twice a day

MOSCOW, Sept 18: Trading on the stricken Russian stock market was suspended twice yesterday afternoon as share prices continued a spectacular slump into uncharted territory a stock exchange spokeswoman

Trading was suspended for half an hour at 3:30 pm when the Russian Trading System (RTS) index was 9.4 per cent lower than its previous closing level. Olga Belobrovtseva told

It was suspended again at 5:00 pm with the RTS index at 51.31, down 11.13 per cent from Wednesday's closing level which had been an all-time record low for the market.

#### products more competitive on the world market if they are traded in US dollars and imported goods more expensive. The major commodities to exhibit rises in export earnings in value term during the past financial year were gold, increasing by 33 per cent, or 14.36 million Australian dollars, col-

ing coal, lifting by 19 per cen

or 935 million Australian do

lars Aluminium, up 36 per cent, or 748 million Australian dollars, steaming coal, jumping 22 per cent, or 671 million Australian dollars, iron and steel, increasing 16 per cent, or 223

million Australian dollars. The Australian mineral resource export price index rose by 6.2 per cent in the past financial year compared with the previous year. Increases mainly occurred in the metals and other minerals component, which increased by 8.4 per cent. while the energy minerals component rose by 2.8 per cent, the

Fisher said mineral resource imports also reached a new high in the past financial year of 8.537 billion Australian dollars, an increase of 16 per cent, or about 1.178 billion A.stralian dollars.

bureau said in a statement.

Imports of gold scrap from South Korea and Indonesia were one of the main contributors to a record level of mineral imports, with gold imports surging by 238 per cent to 1.402 billion Australian dollars.

By contrast, imports of petroleum products fell by 14 per cent, or 741 million Australian dollars.

#### Most Asian stocks follow falls in Europe, US, Latin America troversial plan to use taxpayer Stock Average rose 60.49 jor private employer, an-Market participants said incent rally. Indonesia's bench-HONG KONG, Sept 18: Most money to bail out the cashnounced a 10 per cent pay cut mark index opened down 2.3

Asian stock markets followed overnight falls in Europe, Latin America and the United States to open sharply lower Friday. reports AP.

Credit and Commerce Bank Ltd.

Concern about political unrest in Indonesia and a weakening economy in Hong Kong also dragged down prices.

Singapore's key index plunged 3.2 per cent at the midday close, and Hong Kong fell 1.4 per cent. Japan's benchmark average alone bucked the trend. rising slightly in morning trading.

vestors remained discouraged after US Federal Reserve Chairman Alan Greenspan dashed hopes of a joint effort by the industrialised nations for a

Relief being distributed among the flood-affected people at

Sirajdikhan of Munshiganj recently on behalf of National

multinational interest rate cut. The plunges in stock prices around the world overnight -2.7 per cent on Wall Street, 4.8 per cent in Brazil, 5.5 per cent in Paris and three per cent in London — also intensified

closed down 7.5 per cent on

global woes and profit-taking

wiping out Thursday's 7.9 per

bearish sentiment. The Philippine's PSE index

In Japan, stock prices opened lower but rebounded as selling pressure eased ahead of Prime Minister Keizo Obuzi's visit to the United States next

Share prices in Thailand,

After plunging 2.38 per cent

to a 12-year low Thursday, the

benchmark 225-issue Nikkei

Malaysia and Taiwan were also

2.5 per cent.

points, or 0.44 per cent, to 13,919.63 at the midday close. per cent to a five-year low. The dollar also fell against South Korea's Kospi index fell the Japanese yen, trading at 131.12 yen to the dollar in mid-

day trading, down 2.18 yen from late Thursday in Tokyo and also below its rate of 132.18 late in New York overnight. Investors are hoping that Japan's ruling and opposition parties will reach a compromise on banking reform in time

for Obuchi's US visit, traders The main sticking point has been the governing party's con-

strapped Long-Term Credit Bank of Japan, one of the nation's largest banks. Both sides agreed to resume negotiations later Friday.

In Hong Kong, investors continued to dump local shares. bracing for more bleak news about corporate earnings and

the shrinking economy. The government announced after trading close Thursday that unemployment was at a

The Hang Sen Index, following Thursday's 3.6 per cent plunge, fell even lower throughout the morning.

for all employees.

In Indonesia, the JSX index fell amid fears over uncertain domestic political conditions.

On Thursday, pro-democracy activists protested outside Parliament against proposed laws to curb freedom of expression, while the military imposed a curfew in a riot-torn fishing new five-year high of five per cent. Hong Kong Telecom, a ma-