Busine Star Busines

Remodelling of world's financial architecture

urged HONG KONG, Sept 27: French Prime Minister Lionel Jospin vesterday called for a "remodelling" of the world's financial architecture to help stabilise the global economy, reports

Speaking in Hong Kong on the last leg of a three-day China tour, Jospin said the International Monetary Fund (IMF) must be given more power so it can react to the financial crisis ravaging emerging economies.

"The executive body must be in a position to act more quickly than it is able to do now," he told a seminar on economic relations between Europe and Asia.

Prime Minister said referring

to the agreement that lead to the

setting up of the IMF and other

dum put forward by France to

European partners on strength-

ening global cooperation, call-

ing for a stronger role for the

finance ministers would have

greater say in the main strate-

gic direction for international

monetary and financial sys-

"Liberalisation of capital

and trade movements is prof-

itable for the most part as long

"To this end we must rein-

as it remains under control.

force the dialogue among na-

tions or among large regional

economic groupings and thus

rebuild the international mon-

Jospin also had veiled criti-

cism for the United States and

their current dominance of the

world financial stage, arguing

that the advent of the single Eu-

ropean currency would help act

as a healthy counterweight to

US is one of the biggest

economies and it would not be

wise for Europe to pretend to re-

take a greater role. The Euro

can become part of your re-

serves. The fact there will be a

single currency without specu-

lation within its borders will be

rope is the leading source of of-

ficial development assistance,

with 56 per cent of the world's

total and that European banks'

SB distributes

Tk 35,05,000

among Faridpur

onion farmers

From Our Correspondent

FARIDPUR, Sept 27: Five branches of Sonali Bank dis-

tributed Taka 35,05,000 as

short-term loan among the

onion growers in the district re-

that total amount earmarked

by the branches of Sonali Bank

alised Taka 18 lakh 76 thou-

Farmers losing

interest in jute

cultivation

NARAIL, Sept 27: Jute pro-duction may hamper this year as the farmers are losing inter-

est in its cultivation due to ab-

normal fall of price of jute, re-

According to official

sources, only 10 hectares of land have been brought under

jute cultivation this year as

against 15 hectares of land last

the farmers had produced a

bumper production of jute last

year but they are losing interest

failing to get proper rate against

the price of jute declined to the

level of jute production cost

which is Tk 350 for per maund.

At present, per maund jute is now being sold from Tk 210 to

no jute purchasing centre in the

district, the farmers become

A local leader said as there is

Tk 260 in the local market.

Some growers alleged that

the production cost.

The sources said although

sand loaned out last year.

It may be mentioned here

The branches have also re-

Jospin also pointed out Eu-

place the dollar," he said.

a factor for stability."

to Asia than US banks.

Washington.

cently.

was Tk 46 lakh.

NARAIL

ports UNB.

"The dollar is strong and the

"It is not our aim but we can

Jospin said.

etary system."

the dollar.

Under the plan, the world's

IMF's interim committee.

Jospin outlined a memoran-

supranational institutions.

"Some people have the impression that if you give Rus-"It is apparent today that the sian more money, everything International Monetary and fiwill be okay. Things just are not nancial system and the Bretton that simple," said Germany Woods institutions are in need Central Bank President Hans of a fresh impetus," Jospin said. Tietmeyer. "We must bolster the politi-

says AP.

forthcoming.

At the end of a two-day meetcal legitimacy of the IMF and ing in Vienna's Hofburg Impereview its practical forms of orrial Palace, finance minister ganisation and operation." he and central bankers from the 15 EU nations said, "Further restructuring of the banking "We need to move towards a remodelling of the world's fisector in Japan is of the utmost nancial architecture, towards a importance." new Bretton Woods," the French

They expressed concern that

VIENNA, Sept 27: European

Union finance minister sur-

veyed the global economic tur-

moil Saturday, urging Japan to push ahead with banking re-

forms, praising Latin American

governments and telling Russia

not to expect more handouts.

aid programmes for Russia to

focus on overhauling the

banking and taxation system,

but they made that clear no new

money would be immediately

The EU said it would redirect

Latin American nations had been contaminated by the turmoil blowing through emerging markets despite its pursuit of "essentially sound polices."

EU urges Japan to push ahead

with banking reforms

cial systems."

The minister expressed con-

fidence that Europe would es-

cape the worst of the economic

troubles despite forecasts show-

ing slower-than-expected

day, the European Union is

conspicuous as a police of sta-

bility," the 15 minister said in

their statement. "Economic

confidence is high and the out-

look is for a continued expan-

sion of domestic demand, feed-

ing through to sustained

- JB photo

"In the world economy to-

growth in some nations.

"We are confident on the prospects of Latin America and their ability to overcome the current instability," the ministers said in a statement.

The head of the International Monetary Fund, who joined the EU meeting, repeated his view that the new Russian government must do more to put its house, in order before it receives the second slice of a 22.6 billion dollars IMF loan package.

"The question is not just to see if the second tranche can be released or not. It is to see if Russia can re-adjust its stance to take account of the new situation," IMF Managing Director Michel Camdessus said.

An IMF team is scheduled to return to Moscow on Oct 12 for negotiations on releasing the loan.

Austrian Finance Minister

Rudolf Edlinger, who chaired The statement comes as the the meeting of finance minister EU seeks to boost the internaand central bankers from the tional role of the economic bloc that 11 of their nations will 15 EU nations, said the Union's aid programme, worth some form when they adopt the euro as their shared currency, on 150 million dollars yearly, will concentrate on sending experts Jan 1. to advise on modernizing the

Ministers said the world's banking, taxation and finanfinancial troubles showed that the euro-zone needs a united voice on world financial affairs "Any help to Russia has to be to reflect its role as one of the based on economic programmes world's largest economic pow-ers, alongside the United States that can be kept under control," Edlinger said at a news confer-

> and Japan. However, they failed to agree on how the euro-zone should be represented in international financial bodies such as the IMF and the G-7 group of economic powers.

The euro-zone's current G-7 nations - France, Italy and Germany — say they could represent the bloc along with the European Central Bank. Smaller nations are demanding a place at the top tables, with Belgium suggesting they all designate a euro-zone president to attend G-7 meetings.

surplus should be kept in reserve'

Ninety per cent of any US budget surplus should be held in reserve until a Social Security rescue plan is in place, the House voted Friday, setting the stage for weekend action on an 80 billion dollars tax cut bill,

The American people expect us to save Social Security and they need tax relief," said Rep. Bill Archer, chairman of the House Ways and Means Committee. They're both within our reach."

The key test of party unity was a 216-210 vote in which the House rejected a Democratic effort to lock away 100 per cent of the surplus until Social Security is safeguarded. Only one Democrat - Rep. Martin Olav Sabo of Minnesota - voted with Republicans to defeat the mea-

sure. The action was a prelude to Saturday's planned vote on the tax cut bill, which would take roughly 10 per cent of the projected 1.6 trillion dollars budget surplus over the next decade leaving 90 per cent or about 1.4 trillion for the Social Security

The tax measure, which President Bill Clinton has threatened to veto, would provide tax relief for farmers, married couples, working senior citizens, small business operators, people with modest savings accounts and students saving for private colleges.

'90pc of US budget

WASHINGTON, Sept 27 says AP

Republicans pushed through the Social Security bill on a 240-188 vote to blunt Democratic criticism - certain to echo across congressional political campaigns - that the Republican tax cut would amount to a raid on the popular retirement programme.

day to 13,723.84 points, barely

above the 12-year low it hit earlier in the week.

loss of face for the ruling party, which set up a 13-trillion yen (97 billion dollar) fund of taxpayers' money in February to deal with the banking crisis.

Japanese banking bill may

be passed by Oct 7

TOKYO, Sept 27: Japanese

lawmakers moved close to a

breakthrough yesterday in a

deal to salvage troubled banks

after weeks of stalemate which

has hobbled the economy and

dampened global financial

ing Liberal Democratic Party

(LDP) backed down on its pro-

posal, bitterly opposed by the

opposition, to use taxpayers

money to bail out banks crip-

nationalise the troubled Long-

Term Credit Bank of Japan Ltd

(LTCB) rather than keep it

to discuss a final sticking point

an opposition demand to strip

the Finance Ministry of some of

is now likely to be passed before

the current session of parlia-

ment ends on October 7, press

direction the financial system

will take thanks to the hard

work of the people concerned.

am thankful for it," Prime Min-

ister Keizo Obuchi told re-

system is essential to economic

opposition Democratic Party.

said it was "epoch-making" for

Japan that the bills set to go to

parliament would be based on

A similar deal was agreed

just a week ago before Prime

Minister Keizo Obuchi met US

President Bill Clinton for a

unravelled when the LDP said

its was still in favour of using

taxpayers' money to revive

ket badly, pushing the Nikkei

index down 3.4 per cent on Fri-

That hit Tokyo's stock mar-

But the agreement quickly

summit in New York.

weak banks.

proposals from the opposition.

"Stability of the financial

Naoto Kan, head of the main

Both sides were continuing

But the banking legislation

"We are beginning to see the

alloat with public funds.

Lawmakers also agreed to

After lengthy talks the rul-

markets, reports AFP.

pled by bad loans.

its powers.

reports said.

recovery."

Japan's bank are suffocated by at least 87.5 trillion yen in bad loans, according to officials

estimates The LDP has been forced into a deal with the opposition camp because while it holds a majority in the lower house, it is well short of controlling the upper

At the centre of the debate stands the shaky LTCB, one of Japan's biggest banks which virtually collapsed in June when its share price slumped.

It was forced to ask Sumit omo Trust and Banking Co Ltd to absorb it in a rescue merger and than pleaded for taxpayers' money to shore up its capital.

Kan said: "We are not going to inject public money from the 13 trillion yen (into LTCB) and the bank will not abandon its bad loans."

BKB to disburse Tk 11cr loan in Chuadanga

CHUADANGA, Sept 27: The Bangladesh Krishi Bank (BKB) Chuadanga region has fixed up a target to disburse an amount of Taka eleven crore eight lakh and nine thousand as agri-loan and commercial loan in the Chuadanga region of the BKB in the current financial year, reports BSS.

According to an official source the loan will be disbursed for the purpose of cultivation of wheat, Irri-boro and aus-aman paddy, sugarcane and jute for purchasing machinery parts of the shallow and deep tubewells, cattles and other business.

On the other hand, the bank has also fixed up a target to recover an amount of Taka eight crore outstanding loan from the region in the current financial

The agreement is a major year. Japan may revive AMF plan at G7 meet

TOKYO, Sept 27: Japan may revive its plan for an Asian Monetary Fund (AMF) at a meeting of the world's seven major industrialised nations next week despite possible objections from the United States, reports said vesterday, reports

Japan will present a framework for cooperation to deal with financial turmoil in Asia at the Group of Seven (G-7) meeting in Washington next Saturday, the Kyodo news agency quoted Japanese gov-

ernment officials as saying. The G-7 countries — Britain, Canada, France, Germany, Italy, Japan and the United

measures to cope with deepening financial problems in emerging markets, the officials

States — are expected to focus on

Japan won support from other Asian countries when it presented the AMF idea last year as a vehicle to stabilise the region's financial markets.

But the initiative was annulled due to objections from the US which is concerned that such a fund could dwarf the role of the International Monetary Fund (IMF), Kyodo said.

Japan is coordinating views with other Asian countries on the matter, Kyodo quoted the officials as saying.



Muskovites chat as they wait in a queue to enter Moscow's Promstroi Bank in downtown Moscow recently. Russia's Central Bank printed almost 1 billion new roubles (dlrs 66 million) and issued short-term credits in a bid to get cash flowing through the frozen - AP/UNB photo banking system.

Global employment situation grim, says ILO chief

M A Hashem, Managing Director of Janata Bank addressing the senior executives of the

bank at a meeting on post-flood agricultural rehabilitation programme held on Thursday.

The number of unemployed and underemployed workers around the world has never been higher and will grow by millions more before the end of the year as a result of the financial crisis in Asia and other parts of the world, says the International Labour Office (ILO) in its latest world employment report issued recently in Geneva, reports BSS.

"The global employment sithave eight times more exposure uation is grim, and getting The issue of revamping ingrimmer." says Michel Hansenne, Director General of ternational institutions and rethe ILO. "The world financial thinking the role of global capital flows is expected to be hotly crisis has put immense pressure debated at the upcoming Inter-national Monetary Fund/World on globalisation, and we fear that many governments may begin turning their backs on Bank annual conference in

much needed economic reforms. But globalisation per se is not the problem.

rent financial turmoil, many countries are suffering from employer organisations Hansenne says, "among measurers to increase competitivethe critical role of a high-qual-ity, educated and skilled workforce must gain more promi-

Some one billion workers one third of the world's labour

underemployed, a figure that is largely unchanged from ILO estimates contained in its world Noting that beyond the curemployment report 1996-97 said a press release quoting the

long-term employment problems that can be solved only through the combined action of governments, trade unions and ness, growth and employment in a globalising world economy.

Thailand, Myanmar plan to liberalise border trade

BANGKOK, Sept 27: Thailand and Myanmar have worked out a blueprint for border trade liberalisation which aims at boosting commercial ties between the two neighbours. says Xinhua.

A meeting between the two sides was held last week in northern Thailand's Tak province at which a proposal to establish a free industrial zone in Myanmar was discussed Sunday's Bangkok Post Newspaper said.

Under the plan, industrial plants will be built in the zone and supplied with raw materials and labour from Myanmar this is expected to attract Myanmar workers who would otherwise cross into Thailand to seek jobs.

During the talks head of the Thai team Deputy Commerce Minister Pothipong Lamsa.

asked Myanmar to lift its ban on exports of some goods such as gem stones seafood and some livestock animals.

He was also keen to have Myanmar 's permission for land travel on a 400-k kilometre route linking Thailands border with Myanmar's capital to promote tourism. Meanwhile, his Myanmar

counterpart Myo Tint, said the Myanmar government had considered easing its restrictions on the export of artificial ilowers seafood and fresh-water. fishery products.

However, he said his country would not allow exports of buffaloes or cows for fear of shortages at home.

He added that Thai investors were welcome to participate in the semi annual bidding for state concessions to mine for and to trade in gem stones.

ployed have been generated this year due to the financial crisis in Asia alone, it added. In addition, the report said 25 to 30 per cent of the workers

- or between 750 million and 900 million people - are underemployed, either working substantially less than full-time. but wanting to work longer or earning less than a living wage.

force — remain unemployed or

Of the one billion total, some

150 million workers are actu-

ally unemployed, or seeking or

available for work of these 150

million, 10 million unem-

The ILO estimates some 60 million young people, between the ages of 15 and 24, are in search of work but cannot find it, the report mentioned.

The global unemployment and underemployment picture contained in the 1998-99 report contrasts sharply with developments expected since the last world employment report was issued in 1996, when the ILO said that a number of encouraging signs heralded a global economic revival.

SIBL launches Cash-Waqf Certificate Star Business Report

The Social Investment Bank Ltd (SIBL) recently introduced Cash-Waqf Certificate with a view to developing the Holistic Family Health Clinic and Bangladesh Social Peace Foundation at Uttara, says a press

Ahmed Akbar Sobhan. chairman of the finance and investment committee board submitted a cheque for Tk lakh to purchase Cash-Waqf Certificate at a meeting of the board of directors.

'Population growth reduces resources in developing countries this analysis was the realisamulate a population policy to WASHINGTON, Sept 27: in HIV positive. In Botswana, 25 The Worldwatch study

Many countries that have experienced rapid population growth for several decades are showing signs of "demographic fatigue" of natural resources. according to a new environ-

Worldwatch says that rapid cantly reduced natural re-

"We're looking at problems on a new scale - problems we've never seen before," said Lester R Brown, president of Worldwatch and author, with Gary Gardner and Brian Halweil, of the study titled "Beyond Malthus: Sixteen Dimensions of the Population Problem."

more children, provide work for a higher number of job seekers and to deal with environmental effect of population growth — such as falling water tables, soil erosion and deforestation — is exhausting to gov-

ernment of these countries, according to the researchers. "When a new threat (such a AIDS or aquifer depletion) emerges, governments lack the resilience to respond," said

Problems regularly dealt with in the industrial societies are problems quickly becoming "full-scale" humanitarian crises in many developing ones, Brown said at a September 24 press briefing. Industrial countries have held HIV infection rates among adults under one per cent or less, in contrast to infection rates in Africa, for

As a result of these crises, some developing nations are headed for population stability, not because of falling birth rates, but because of rising death rates, the study said. A 1998 World Health Organisation survey reports in Africa for example, that 26 per cent of the adult population in Zimbabwe

per cent. In Zambia, 20 per cent. "Most of the people in African that are HIV positive don't know it," noted Brown. From AIDS alone, these so-

cieties will lose at least onefifth of their adult population within the next decade, said Brown. These deaths, along with HIV-infected infants, the high mortality rate of AIDS orphans and the usual deaths, will bring population growth to a health or even into a decline, he noted.

"This reversal in the death rate trend marks a tragic new development in world demography," stated Brown.

National projections of population growth very more widely than at any other time in history, indicating a demographically divided world, the report said. Population has stabilised or is even declining in some countries, but in others, population is thought to double or even triple before stabilising.

chronicled possible consequences in another 50 years of massive population growth.

Brown. According to United Nations demographic projections, world population will grow from 6.1 billion in 2000 to 9.4 billion in 2050. The additional 3.3 billion would come

Ethiopia's population will triple to 213 million from 62 million people by 2050, according to UN projections. Pakistan will surpass the US population before 2050, with 357 million, up from 148 million. More people would live in Nigeria in 2050 than lived on the entire African continent in 1950, according to the projections.

"We don't think these projections will materialise," said Brown. "One of the things that concerned us as we worked on

tion that the demographic projections by the UN are based on demographic assumptions

phers ask basic questions like, Will there be enough water to support these projected popula-tions? Enough cropland? Or even living spaces?"

These projections leave the impression that they are possible, when in fact they are not,

"The question is not whether population growth will slow in the developing countries," continued Brown, "but whether it will slow because societies quickly shift to smaller families or because ecological collapse and social disintegration

"The challenge for national governments is to assess their land and water resources, determine how many people they will support at the desired level of consumption, and then for-

reach that goal." Without a global effort to shift to smaller families. "events in many countries could

spiral out of control, leading to spreading political instability and economic decline," the study concluded. Brown emphasied that another challenge is implement-

ing widespread international family planning services, so that families wanting to limit family size can do so because of easier access to services.

Education for young people in the developing world, especially females, is a key towards smaller family size, added Brown. "The more education women have the fewer children they bear." Limiting couples to two children would also be a step in the right direction, he

"There is absolutely no issue more important than the population issue," stressed Brown.

Indian shares set to continue rising next week

BOMBAY, Sept 27: Indian share prices are set to continue rising next week on a host of favourable concerns, brokers said yesterday, reports AFP.

The 30-share Bombay Stock Exchange sensitive index was up 132.85 points, or 4.3 per cent, to 3,223.57 points at close of trade on Friday, over the previous week.

The national index tracking 100 shares was up 52.50 points, or 3.8 per cent. to 1,424.72 points at close of trade Friday. "The sentiment is bullish

and confidence is steadily re-

turning to the market," said broker Gaurav Sanghvi. Brokers said the market was cheered by Prime Minister Atal Behari Vajpayee's statement at the UN General Assembly that

India will sign the Comprehensive Test Ban Treaty (CTBT) by September 1999. Another piece of good news, brokers said, was Finance Minister Yeshwant Sinha's announcement that companies

would soon be allowed to buy back shares. "The upside will continue next week, share buying interest is expected to be across the board, especially with foreign portfolio investors returning to

broker Ajit Ambani. Ambani said the BSE index was likely to end next week with a gain of 100 points.

the market this week," said

"No major correction is expected next week. There are no new negatives in sight other than domestic politics," he said. Analyst Devesh Kumar, at

foreign brokerage ABN Armo

Equities, said: "The good news for the Indian stock markets is foreign portfolio investors have begun purchases." This should stimulate local buying interest and generally revive market sentiment," he said, adding: "Even if we do not

have a major rally next week. prices should hold steady and that itself would be good." In Trade Associated Cement Cos was up 1.50 rupees to 1,159.50 rupees, Glaxo rose 45.75 rupees to 473.25 rupees. Reliance Industries was up 6.50 rupees to 126.10 rupees and

State Bank of India shot up 14.80 rupees to 211 rupees. Tata Engineering moved up 1.70 rupees to 149 rupees and Tata Steel lost 0.1 rupees at 97 rupees.

Arab stocks calm

RIYADH, Sept 27 Arab stock markets posted calm results for the week which saw the Omani bourse continue to buck its downward trend on news of new investment funds, a Riyadhbased specialist financial institute said yesterday, reports

Oman's MSM index gained 10.3 per cent to 286.52 points on news that "new investment funds will soon be launched. which are expected to improve demand and liquidity in the market.'

A chronic liquidity squeeze has dragged the MSM down by 46 per cent so far this year. The worst performer of the

week was the unofficial share market of the United Arab Emirates, which lost 4.5 per cent, the National Bank of Abu Dhabi (NBAD) index finished the week at 4,673.53 points. The fall was "due to selling

pressure by investors for profit taking and the need for liquidity to cover the capital increase for EMAAR company and other IPOS," said Bakheet Financial Advisor in its weekly reports. The Saudi and Kuwaiti

bourses, the Arab world's largest and second largest stock markets in terms of capitalisation, both finished the week showing slight gains. In Saudi Arabia, the NCFEI all-shares index closed up 0.2

per cent at 163.96 points. The Index has dropped 16.4 per cent since the start of the year on the back of the falling price of oil, of which Saudi is the world's biggest producer. In Kuwait, the Kuwait Stock

Exchange (KSE) index also rose 0.2 per cent, to close at 2,171.40 points. Qatar's Doha Stock Market

(DSM) index, which has the highest growth of any Arab bourse this year with gains of 44.1 per cent, dropped 0.6 to 143.33 points, driven by bank

The Bahrain Stock Exchange (BSE) muex was also down, dropping 0.6 per cent to close at 2,489.99 points. In the rest of the Arab world,

the Egyptian and Tunisian bourses registered modest gains, while the Lebanese, Moroccan, Palestinian and Jordanian markets all marked slight losses.

Egypt's ESE rose 0.3 per cent to 365.29 points, and Tunisia's BVM increased by 0.2 per cent to finish the week at 461.17 points.

On the losers' side, Morocco's Casablanca Stock Exchange (CSE) index dropped 1.2 per cent to 866.18 points, but its total gains for the year so far, at 36.5 per cent, confirm it as the Arab world's second best performance. Lebanon's BLOM index fell

dropped 1.1 per cent. The Jerusalem index finished the week at 163.31 points. A lack of positive corporate

0.2 per cent to 911.42 points,

while the Palestinian bourse.

news pulled Jordan's AFM index down 1.3 per cent to 173.45 points.

their production," he added.

captive to the hand of middlemen who have taken control of the local market. He said middlemen are fixing the price whimsically as the traders stopped buying jute from the growers failing to get their earlier bills from various mills.

"It is now an urgent need to set up a jute purchasing centre here to ensure the jute growers of getting fair price against

mental study, says USIS.

The environmental group population growth has signifisources in developing countries.

The struggle to educate even

Brown.

example.

There has been more population growth since 1950 than in all of human history, added

from developing countries.

"At no point did demogra-

added Brown.

cause death rates to rise.