

BSB seeks Tk 300cr to meet post-flood needs

Bangladesh Shilpa Bank, facing a severe liquidity crisis, has sought a government sanction of Tk 300 crore to meet the post-flood demands of its clients, reports UNB.

BSB sources told UNB Wednesday, that the bank had sent a letter to the Finance Secretary this week seeking the fund. It said BSB is facing a fund deficit of Tk 200 crore in the current fiscal year.

On the other hand, 60 per cent of spinning mills established with financial assistance of the bank incurred an approximate loss of Tk 297 crore due to the floods.

Spinning mills situated in Narsingdi, Madabadi, Shahjapur and Babur Hat areas have sustained losses because they were out of production and could not sell their products

during the floods. BSB, a specialised bank for financing the industries, informed the Finance Ministry that these industries need immediate help from the bank specially for working capital.

According to sources, the bank has a saving of only Tk 60 crore and a liquidity of only Tk 90 crore.

"To overcome the fund crisis, the bank needs immediate help from the government to conduct post-flood rehabilitation of the industries specially through sanctioning working capital to the affected industries," said an official of the bank seeking anonymity.

"Without government allocation, the bank is unable to re-finance the industries financed by it," he added.

India, Pakistan lag on reforms to ward off crisis, says IMF

WASHINGTON, Oct 1: Nuclear rivals India and Pakistan have lagged on reforms needed to boost confidence and growth in the face of economic sanctions, the International Monetary Fund said yesterday, reports Reuters.

In its World Economic Outlook, the IMF urged both governments to speed reforms to safeguard their economies against contagion from the financial crisis that started in East Asia more than a year ago.

The fund forecast 4.8 per cent growth in India this year, after 5.6 per cent in 1997. It said India's fiscal position was weak, despite recent monetary tightening.

A new budget contained limited fiscal adjustment and re- forms, and the IMF urged New Delhi to take "stronger measures" to strengthen the financial sector.

To restore investor confidence, contain the risk of macroeconomic instability, and enhance growth prospects, action continues to be needed to rein in the public sector deficit and to implement a wide-range of structural reforms," it said.

Referring to Pakistan, the IMF added: "Pakistan is facing even greater challenges as a result of the economic sanctions and in view of its vulnerable external and domestic financial situation and unfinished structural reform agenda."

The IMF said the Pakistan economy would grow 5.4 per cent this year, after 1.3 per cent in 1997.

US President Bill Clinton has asked Congress to give him power to waive US sanctions against India and Pakistan if the governments agree to US nuclear non-proliferation demands.

Negotiators from the house of Representatives and Senate voted on Monday to give Clinton flexibility in dealing with India and Pakistan by allowing a one-year waiver of US sanctions on the new nuclear powers.

Congress sends Clinton \$250.5b defence bill

WASHINGTON, Oct 1: Congress on Tuesday sent US President Bill Clinton a \$250.5 billion US dollar defence spending bill for fiscal 1999 that gives military personnel a pay raise and provides money for anti-missile defences, reports Reuters.

The Senate voted 94-2 in giving final Congressional approval to the legislation which received House passage on Monday.

The defence bill accounts for about 15 per cent of federal spending and was the third and largest measure approved by Congress so far for the fiscal year beginning Oct 1.

Congress faces an October 9 deadline to pass the remaining 10 federal spending bills before an emergency funding measure expires leaving unfunded agencies without money to operate.

Many of the remaining spending measures are bogged down in policy disputes and lawmakers say several of them likely will be stripped down and rolled into a catchall bill to meet the federal funding deadline.

In addition to the defence bill Congress has approved modest bills for military construction and for Congressional operations.

The defence spending bill now headed to the White House was \$45 billion dollars below the president's funding request and nearly three billion dollars below estimates needed to keep

pace with inflation. Republicans in Congress and the president have said the pentagon will need another infusion of cash sometime after January in a supplemental spending bill.

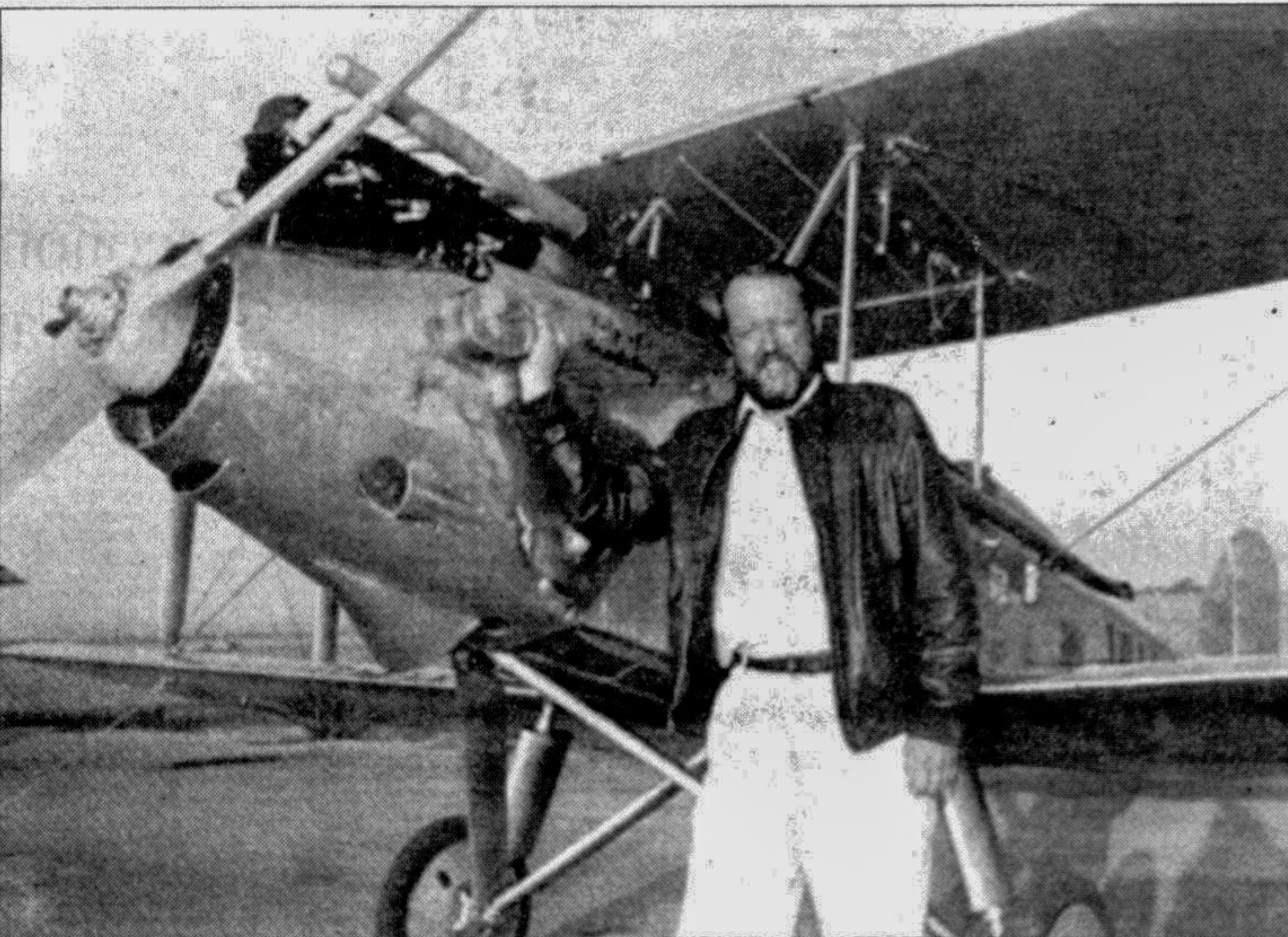
Republicans have complained the pentagon has been squeezed in efforts to balance the federal budget.

The defence spending bill approved this week provides a 3.6 per cent pay rise for military personnel, up from the 3.1 per cent raise the White House proposed. It also contains 951 million US dollars for anti-missile defence research.

Overall military operations and maintenance would get 84 billion dollars, and 48.5 billion dollars would be available to buy weapons and equipment.

The bill also would bar the United States from training foreign security forces who violate civil rights. There have been disclosures that US special forces helped more than 100 countries conduct military training in the past year. One of those countries, Indonesia, used its military to suppress demonstrations against its collapsing economy.

"This law sends a message that if foreign militaries want our training and the prestige that comes with it, they have to respect human rights and punish those who violate human rights," said Sen. Patrick Leahy, a Vermont Democrat who sponsored the measure.



Australian Lang Kidby stands in front of his 1927 Avro aircraft in the port of Iraklion on the Greek island of Crete on Monday. The plane, named "City of Bundaberg," is in Crete on the first leg of Kidby's 20,000-mile flight from England to Australia. —AP/UNB photo

New Jakarta programme to restore banking sector

JAKARTA, Oct 1: Indonesia yesterday announced a bank recapitalisation programme to restore the ailing banking sector back to health, reports AFP.

The aim of the recapitalisation is to retain (banks) which has a prospect of surviving and develop, and also primarily to accelerate economic restoration through a restructuring of their ownership," Bank Indonesia Governor Syahril Sabirin said.

He said the programme would cover all banks except those with a capital adequacy ratio (CAR) of more than four per cent.

Sabirin said banks currently under the treatment of the Indonesian Bank Restructuring Agency (IBRA) and those

not under its supervision were eligible under the programme.

The government is currently undertaking due diligence on all banks to calculate the funds needed.

Banks with a car of below four per cent and above minus 25 per cent must join the recapitalisation programme, Sabirin said.

Those with a car of lower than minus 25 per cent would be given the opportunity to strengthen their capital or improve the quality of their productive assets so that they can move to the eligible category.

"If they cannot, banks in this category will be jointly settled by Bank Indonesia and IBRA," Sabirin said without elaborating.

Pakistan gets \$30m Kuwaiti grant for power plant

KUWAIT CITY, Oct 1: Kuwait has granted sanctions hit Pakistan a 30 million dollar loan to partially finance a hydroelectric power plant in central Punjab province, the official Kuna news agency said, reports AFP.

The loan from the state-owned Kuwait Fund for Arab Economic Development will be repaid over 21 years, including a six-year grace period, with an interest rate of three per cent. It will be used to finance the Rawat-Lahore transmission segment of the Ghazi Bortha Hydroelectric Power Project.

The fund has so far provided Pakistan with more than 222 million dollars through 13 loans.

In August, the state-owned Kuwait Investment Authority lent Pakistan 250 million dollars to boost the country's flagging foreign exchange reserves.

Women pushes median income of US families up 150 pc

WASHINGTON, Oct 1: Married women joining the US workforce between 1947 and 1997 pushed real median income for families up 150 per cent, the US Department of Commerce reports.

The department's Census Bureau released September 29 a study of income in the United States for the half century beginning in 1947.

Other findings in the report, according to a press release, include the continuing rise of women's earnings compared to men's, the growth in real median income of college graduates, and a continuing three-decade increase in the number of children in poverty.

Following is the text of the press release:

An increase in the number of married women in the workforce contributed to a 150 per cent increase in the real median income of married-couple families between 1947 and 1997, the Commerce Department's Census Bureau reported yesterday in a chart book chronicling a half century of measuring income in America.

Other important findings in the book include the climb of the female-to-male earnings ratio to a record high, the growth in real median income of college graduates and a continuing three-decade increase in the number of children in poverty.

"Since 1951, the proportion of married women in the labour force has almost tripled," said Arthur Jones, co-author with Shirley Smith of the anniversary book. "This was a major factor contributing to the growth in the real median income of all married-couple families during the 50-year period from \$ 20, 620 in 1947 to \$ 51,591 in 1997."

Jones added, "For families with wives in the paid labour force, the gain amounted to 154

per cent from \$ 23,901 in 1949 to \$60,669 in 1997."

"For the past 50 years, researchers and analysts have extensively relied on data collected in the Current Population Survey to track the effectiveness of government programmes, gauge the economic well-being of the country, develop marketing strategies for businesses and examine demographic patterns," said James Holmes, acting Census Bureau director.

The chart book makes these additional points:

— Since 1967, the proportion of full time, year-round workers who were women increased from 29 per cent to 41 per cent. Since 1960, the earnings of these women rose 54 per cent to \$24,973. The result is a female-to-male earnings ratio that is currently at an all-time high of 0.74.

— Men who were college graduates had a 1997 median income of \$47, 126 a 22 per cent increase since 1963. Less-educated men showed declines in income.

— Women in all educational attainment groups experienced increases in income since 1963, with college-educated women showing, at 53 per cent, one of the biggest increases.

— Poverty for most races has declined since 1959. Over the past three decades, poverty has increased for children. Female household families with no spouse present have had the highest poverty rate.

— The number of married-couple families as a percentage of all families declined from 87 per cent to 77 per cent between 1947 and 1997.

— Family income inequality grew considerably during the 1980s, but has been unchanged since 1993.

— Despite being tempered by business-cycle downturns, real

per capita income increased 77 per cent between 1967 and 1997, from \$ 10,895 to \$ 19,241.

— Until recently, the income of each new generation was higher than the previous one. This trend reversed beginning with the generation of men who were 25 to 34 in 1987; their median income was lower than that of same-age men from the previous generation (20 years earlier). Women of the same age, however, continued to outpace the previous generation in real median income.

Ranks of richest Americans just getting deeper

WASHINGTON, Oct 1: The ranks of the richest Americans just keep getting deeper, says AP.

The number of taxpayers who reported an adjusted gross income of 200,000 dollars or more reached nearly 1.3 million in 1995, the most recent year available, according to Internal Revenue Service figures released Wednesday. That was an increase of 14 per cent from the year before.

In all, returns from the wealthiest segment of the population amounted to only about 1.1 per cent of total tax returns that year, but they paid a total of 182.5 billion dollar in federal taxes.

The IRS says 998 of the top earners paid no US income taxes at all.

The reasons so many escaped taxes are perfectly legal: they took advantage of a variety of tax credits, itemized deductions and particularly a deduction for interest on money borrowed for investments.

The numbers are featured in the most recent Statistics of Income Bulletin.



Participants of the top cargo agents educational tour 1998 of Hua-Hin Beach and Bangkok, Thailand, arranged by Thai Airways International, Dhaka, are seen on the eve of their departure at the Zia International Airport with General Manager, Dol Bhasavanich (4th from the left) and Cargo Manager, Md. Ataullah (extreme right), with the agents.

Union members vote to determine PAL's future

MANILA, Oct 1: Philippine airlines workers voted Thursday on whether to give up their right to strike for 10 year as part of a management recovery plan that would allow Asia's oldest carrier to reopen, says AP.

It was the second time in 11 days that the 6,700 members of PAL's largest union have voted on the rescue plan. Last week, they rejected the proposal, forcing the airline to shut down and leaving much of the country without air service.

Members were given until Friday noon to vote but counting could begin Thursday night if voting is completed earlier, said Labour Secretary Bienvenido Laguesma.

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Many union members be- lieved the government would not allow the 57-year-old flag carrier to close. But when government enlisted foreign carriers to begin flying some domestic routes Monday, union leaders reversed their position and agreed to accept the management plan.

The agreement must be formally endorsed by workers, regulators and PAL's creditors.

and expose them to management abuses.

"This is our last card," union president Alex Barrientos told workers Thursday. "As your leader, am not giving away your rights."

Barrientos said he has not visited the union office for several days after some militant workers threatened to shoot him.

"If they want an explanation of why we agreed to the plan, they can always call me," he said.

"We're being asked to choose between two coffins," said Renato Ramos, a union board member opposed to the plan.

Aurora Magsombol, an airline comptroller who has worked for 19 years in PAL,

said she would rather lose her job than her rights, adding she doesn't believe a guarantee by PAL chairman and chief stockholder Lucio Tan to continue recognizing the union if the bargaining agreement were suspended.

hundreds of workers marched to the presidential palace Tuesday to protest the plan and urge the government to take over the airline instead.

President Joseph Estrada says the government cannot do that because it does not have the money to underwrite daily losses of up to 45 million pesos (one million dollars) incurred by the airline.

Estrada, who helped broker the agreement with union leaders, also urged the workers to

rately the plan.

"I have assured the labour union that as president I will always protect them. I will not abandon them," he said.

He asked union members to consider not only their welfare but also that of millions of Filipinos who would be affected by PAL's shutdown.

Shipping Intelligence

CHITTAGONG PORT									
Berth position and performance of vessels as on 30.9.98									
Berth No.	Name of vessels	Cargo	L port call	Local agent	Date of Leaving arrival				
J/1	Ford Ham	Wheat(P)	Wall	Rainbow	21/9	1/1			
J/2	Sarah-1	Rice(P)	Kaki	SMSL	28/9	4/1			
J/3	Chanda Naree	Wheat(P)	Suez	AASS	17/9	3/1			
J/4	Bo Everett (48)	Gl/Vehi	Sing	Everett	27/9	1/1			
J/5	Nopporn Naree	R. Seed	Fran	Seaglory	R/A	4/1			
J/6	Ascan Jambo	Gl	Sing	Prog	21/9	4/1			
J/7	Xing Ye	Wheat(P)	N. Ori	Rainbow	23/9	4/10			
J/8	Johan Crystal	Gl	Sing	Prog	21/9	5/10			
J/9	Song Lin	Gl	S. Hai	Prog	23/9	10/1			
J/10	Silver Star	C. Clink	Khos	MBL	12/9	3/1			
J/11	Kaney	Wheat(P)	Darb	Seaglory	10/9	1/1			
J/12	Banglar Robi	Cont	Sing	BSC	27/9	1/1			
J/13	Kota Berjaya	Cont	Sing	Phil(BD)	22/9	1/1			
CCT/1	Diligence	Cont	Sing	OCSL	26/9	30/9			
CCT/2	Kota naga	Cont	Sing	Phil(BD)	18/9	3/1			
CCT/3	Manaslu	Cont	Sing	RSL	26/9	1/1			
RM/14	BJ Energy	Cement	P. Kel	UJSTC	23/8	4/1			
CGJ	Rojarek Naree	C. Clink	Indo	Unicorn	15/9	1/1			
GSJ	Banglar Asha	-	BSC	R/A	1/10				
TSP	Sea Panther	R. Phos	Hamr	Seacom	23/8	2/10			
RM/3	Mando	Odoo	Kaki	Rainbow	27/9	-			
RM/6	Petta Ponggawa	Cement	Biri	MHCSL	3/8	30/9			
DDJ	Banglar Jyoti	C.Oil	-	BSC	R/A	1/1			
DDJ	Banglar Kallol	Repair	-	BSC	R/A	15/1			
DDJ/1	Tansary Star	Idle	Para	PSAL					
RM/8	Al Salamas	Repair	Visa	ASLL	29/8	7/1			
RM/9	Banglar Shikha	Repair	-	BSC	R/A	30/9			
KAFCO(U)	Choi San Bong	Idle	Kaki	CCNL	29/9				

VESSELS DUE AT OUTER ANCHORAGE					
Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Prosrich(Cont)	30/9	-	QCSL	Cont	Sing
Stresa	30/9	-	Ji	Cont	Scraping
Bintang Harappa	30/9	-	Prog	Gl	-
Banga Biraj(Cont)21/9	1/1	Sing	Bdship	Cont	Sing
Taipeng Star (Cont)27/9	3/1	Sing	AML	Cont	Sing
Richmond(Cont)23/9	1/1	Sing	QCSL	Cont	Sing
Thor Sea	2/1	OIA	Bright	Gl	-
Da Pa(Cont)23/9	2/1	Sing	RSL	Cont	Sing
Isleut	2/1	Fuja	ARL	Scraping	-
Jurong Balsam (Cont) 28/9	2/1	Sing	APL	Cont	-
Good Will	2/1	-	AASS	Gl	-
To Lich	3/1	-	Everett	Urea(Kafco)	-
Sea Dania	3/1	-	Ancient	Wheat(G)	-
Zarina-1	3/10	Ilyi	Littmond	Mop	-
Eastwood	5/1	Tampa	OWSL	GTSP	-
Banglar Moni(Cont)22/9	5/1	Sing	BSC	Cont	Sing
Hibiscus (Cont) 28/9	5/1	-	QCSL	Cont	Col
Abuja (Cont)27/9	6/1	-	Baridhi	Cont	Col
Kota Binting(Cont)27/9	6/1	-	Phil(BD)	Cont	-
Ocean Pine	6/1	Pana	ATLAB	Gl	-
Overseas Arctic	7/1	-	Ancient	Wheat(G)	-
Xpress Padma (Cont) 28/9	7/1	-	RSL	Vehi	-
QC Pintal (Cont) 28/9	8/1	-	QCSL	Cont	Sing
Keishun (Roro)21/3/9	9/1	Col	BEA	Vehi	-
Kots Singa 29/9	9/10	-	Phil (GD)	Cont	Sing
Ocean Blue(Roro)24/13/9	15/1	Col	BBA	Vehi	-
Marine Kingdom	15/1	Sing	RML	Combi	-
Ocean-1	5/1	-	SMSL	Logs	-

VESSELS AT KUTUBDIA					
Name of vessels	Cargo	Last port call	Local agent	Date of arrival	
Spiros	C.Oil	Rast	BSC	CrudeOil	
Banglar Jyoti	C.Oil	-	BSC	R/A	

VESSELS AT OUTER ANCHORAGE: READY ON:					
Name of vessels	Cargo	Last port call	Local agent	Date of arrival	
Kallang	Sugar (Gl)	Clip	Litmond	27/8	
Zarina-II	Mop	Il Yi	Litmond	20/9	
Tia Estela	Dock Slup	B.Abb	Seacom	22/9	
Julie-N	Sko/Msd	Sing	MSTPL	23/9	
Mallicka Naree	R. Seed	Brod	Litmond	8/9	
Pavlovo	Cement	Indo	Delmure	25/9	

The above are today's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Monthly Currency Roundup

Local Market
Demand for the US dollar was high all through September and reached its peak towards the end. In the first week of the month, the exchange rate of dollar fluctuated in a wider range of BDT 47.10 and BDT 47.25, but in the second week, the range became narrower as demand surpassed supply. During the second week of September, the government decided to import 300,000 tonnes of rice and 100,000 tonnes of wheat in addition to the annual foodgrain import. Besides, during the first two weeks, LCs worth of BDT 10 billion were said to have been opened. This huge import liability exerted pressure on the country's foreign reserve of 1.8 billion (as of August, source: Reuters). Owing to that the pressure, demand for US dollar shot up and in the interbank market the USD exchange rate crossed the Bangladesh Bank; selling rate of BDT 47.25 in the last week of September.

Movement of Major Currencies Against Taka (Mid Rate)

Currency	September 1	September 8	September 15	September 22	September 30
US dollar	47.22	47.22	47.22	47.21	47.24
Pound	79.3956	78.3971	79.0748	78.9683	80.1970
Mark	27.0641	27.3272	27.7488	28.0720	28.1887
Franc	8.0712	8.1477	8.3292	8.3167	8.4063
Can Dollar	30.4430	30.9742	31.4224	30.8593	31.0075
Swiss Franc	32.9287	33.4171	33.8180	33.8521	34.0493
Sing Dollar	27.3028	27.3503	27.4138	27.2240	27.9899
Thai Bath	1.14	1.16			