

Benapole port problems make govt suffer huge revenue losses

JESSORE, Oct 5: Benapole, the largest land port of the country, has been facing manifold problems for long causing sufferings to the users, reports UNB.

Sources in the port said the government is also being deprived of huge amount of revenue due to these problems. Acute shortage of space in the warehouses, traffic jam, unnecessary delay in the clearance process and non-availability of the officials at the port are the main problems. Hundreds of tonnes of goods imported from India are being stockpiled in the open space as

the warehouses lack enough space. Presently, the port has 22 godowns, two hired from the private owners, with a total capacity of 20,600 tonnes.

But the volume of goods to be dealt by the port is much higher. On an average, 80 tonnes goods arrive from across the border everyday, said the port sources.

They said the trucks carrying the goods can not be unloaded due to the want of space. These vehicles occupy the road along the port causing untold sufferings to the passengers and

hampering the movement of other vehicles.

Delay in clearing up the goods is one of the main causes of the huge stockpile, said the sources adding that a truck need at least 10 to 15 days to be cleared from the port after its arrival here.

The auction of goods is not regular which contribute much to the problem, said the sources.

The amount of revenue earning from the port is about Tk five to six billion every year.

Mongla Port Authority is the controlling authority of the land port, but the distance be-

tween the two places, which is about 160 km, is one of the main problem for administrative sluggishness here, alleged the port users.

They said a Deputy Traffic Manager is supposed to be stationed at Benapole, but the official stay at Mongla and visit the land port twice in a week.

Many decisions remain pending due to this reason causing unnecessary delay in disposing off the cases.

The port users have urged the concerned authorities to take necessary measures for resolving the problems faced by them.

Three mills to produce fine jute yarn with BJRI technologies

Three mills will produce fine jute yarn with modern technologies evolved by the Bangladesh Jute Research Institute, reports APB.

The BJRI transferred the new technologies to the three private-sector jute mills through separate agreements signed here yesterday.

After the signing of the deals, Director (Technology) of the institute Dr ABM Abdullah told APB that substitutes for polythene bag could be made of this fine jute thread.

Besides, he said, "Union fabrics like jute-cotton, jute-rayon and jute-silk, which have a bright prospect, can also be

produced."

On behalf of the BJRI, its Director-General Dr SM Ilyas signed the memoranda of understanding (MOU) with Managing Director of Nawab Abdul Malek Jute Mills Ahmed Hosain and Managing Director of Sonali Ansh Industries Ltd M Nurul Islam Patwari.

Under the accords, the BJRI will provide all technical assistance for producing '3-4 count fine yarn on pilot and commercial basis through developing the existing jute spinning frame.

Initially, each of the three companies will pay BJRI Tk 25,000 as token or initial ryal-

Economists predict Brazil may have a recession in '99

RIO DE JANEIRO, Oct 5: With exit polls and initial returns pointing to a landslide victory, the election was a breeze for incumbent President Fernando Henrique Cardoso. But Cardoso's unprecedented second term could turn stormy, says AP.

Cardoso has managed to hold the rudder firm long enough to become the first Brazilian president ever re-elected, even after Russia's debt default wiped out a good chunk of the stock market's value and forced interest rates to near 50 per cent a month.

Now many economists predict a recession in 1999, worsening unemployment and pressure on the government to raise taxes, all of which is likely to erode the president's popularity.

Cardoso is expected to win the election without a run-off by taking more votes than all the other candidates combined.

Japanese stocks hit new low

TOKYO, Oct 5: The benchmark index for Tokyo share prices slipped below 13,000 points for the first time in more than 12 years Monday amid lingering worries about the health of Japan's economy. The US dollar rose against the yen, reports UNB.

The dollar bought 135.76 yen in late-afternoon trading, up 0.98 yen from the late Friday in Tokyo and above its New York level of 135.65 yen on Friday. During the day, it ranged from 134.40 yen to 136.10 yen.

The benchmark Nikkei Stock Average of 225 selected issues shed 275.57 points, or 2.08 per cent, to close at 12,948.12. The last time the Nikkei closed below the psychologically important 13,000 mark was on Jan. 30, 1986, when it finished at 12,949.04.

On Friday, the Nikkei briefly dropped below 13,000 but later recovered to post a 26.57-point gain, or 0.20 per cent.

The yen weakened on disappointment officials at a meeting of the Group of Seven industrialised nations failed to issue a more concrete statement about what should be done to fix Japan's debt-ridden banking sector and revitalise its recession-bound economy.

The statement said G-7 countries expect European economies to achieve "stronger growth" as their recoveries pick up steam, giving a boost to the German mark, traders said.

Japanese institutional investors, such as life insurers and investment trusts, bought the mark and sold the yen, which boosted the dollar against the yen in the process, dealers said.

"Everyone seems to feel safe for now in buying the German currency," said Takayuki Togawa, manager of foreign exchange at Tokai Bank.

India's inflation rate goes up by 0.4 pc

NEW DELHI, Oct 5: India's inflation rate shot up by 0.4 per cent week-on-week due to a sharp increase in the price of vegetables and edible oils, the government said yesterday, reports AFP.

The rate based on the wholesale price index stood at 8.55 per cent for the week ending September 19 compared to the previous week, a finance ministry statement said.

It was sharply lower at 3.53 per cent during the corresponding period last year but hit a three-year high of 8.78 per cent in August 1998.

Prices of wheat, rice and vegetables went up by one per cent while onion prices registered a steep hike after widespread floods and cyclones extensively damaged crops.

Onion, which sold for 10 rupees (25 cents) a kilogram (2.2 pounds) in August, are currently tagged at more than 40 rupees, with prices rising by the day.

Edible oil prices also surged followed the recent ban on the use of mustard oil.

Mustard oil was banned in many Indian states after several brands were found to be contaminated with products that sparked a drowsy epidemic and has killed at least 70 people.

Prices of imported oil shot up 24 per cent as a result of the ban.



Student Eunkwang Lee, right, stands with Daewoo campus adviser Jason Thompson Thursday at a Daewoo dealership in Huntington Beach, Calif. Over the summer, South Korean automaker Daewoo hired about 2,000 college students as independent contractors to market its cars on 450 campuses in 14 markets. Last week, these so-called Daewoo campus advisers began offering test drives between classes. Daewoo hopes the young marketers can lure fellow students into its dealerships with no-haggle pricing and generous long-term financing. — AP/UNB photo

Ctg port activities gain momentum after army deployment

CHITTAGONG, Oct 5: As foodgrains, imported or received as aid, continued to reach Chittagong port everyday, the unloading and delivery process has become three times quicker than in the past, reports UNB.

The loading and unloading got momentum after army were deployed at the port in mid-September and the workers also kept their agitation on hold," said an official of the Chittagong Port Authority (CPA).

Only in last two weeks, 1.2 lakh metric tons of foodgrains were unloaded at the port.

An army officer, supervising the loading/unloading operation, said: "There is no obstruction from anywhere."

"We can't think of stopping

the unloading of foodgrains coming for the flood victims," said Mahfuzur Rahman, president of the port CBA, referring to labour movement against the planned private container terminal in last few months.

There were 22 ships in the port and 26 others in the outer anchorage for berthing Sunday. Official sources said five ships, carrying 35,000 tons imported rice and wheat, were staying at the port. Another three ships, carrying 40,000 tons of foodgrains, imported privately were in the outer anchorage.

A ship with 14,500 tons of wheat, also imported privately is expected to reach the port on Tuesday, they said.

Meanwhile, the "Sea Daniel" carrying 21,847 tons of wheat sent by UN's World Food Programme as aid reached the outer anchorage on Saturday and was expected to dock yesterday.

Some 4,000 tons of wheat have been unloaded to smaller vessels after the ship reached the outer anchorage.

WFP's first consignment of food aid — 15,000 tons of wheat carried by "Golden Sun" — was unloaded at the port from September 19-23.

Another WFP ship, "Overseas Arctic", with more 15,000 tons, is expected in the second week of the current month.

The WFP has pledged to bring 355,000 metric tons of foodgrains for the country's flood victims.

The east Asian financial crisis, which erupted in Thailand in July 1997, has been blamed on sudden surges in foreign investment in emerging markets that were plagued by weak financial sectors unable to absorb and channel such inflows.

To ensure the orderly flow of capital, they said, investors needed to receive "timely, comprehensive and accurate information" from recipient countries and institutions.

The group also stressed that the International Monetary Fund (IMF) needed to have "sufficient resources to remain capable of catalyzing policy reform and the restoration of market confidence."

They urged that the necessary steps be taken to implement the agreed IMF quota increase," the statement said.

A request by US President Bill Clinton for 18 billion dollars to help shore up IMF resources has been blocked in the US House of Representatives, where the fund has come under sharp attack by conservative

PAL employees return to work

MANILA, Oct 5: Philippine Airlines employees returned to work after nearly two weeks Monday to prepare to reopen Asia's oldest airline, while PAL officials continued talks with at least two airlines on an injection of much-needed capital, reports AP.

PAL ticket offices began booking reservations and maintenance crews readied planes at Manila's international airport in preparation for Wednesday's reopening.

"We're back to work," said Alex Barrientos, president of PAL's ground crew union.

PAL, the Philippines' flag carrier, closed Sept. 23 after failing to persuade the union to accept a management-proposed recovery plan.

In a second referendum last Friday, however, a wide majority of the workers voted to accept the plan, under which their collective bargaining agreement would be suspended for 10 years in exchange for a 20 per cent share of the company's stock.

"I still want to work and the company has been good to me," said Cecille Peco, an employee working at a PAL ticket office

in Manila.

PAL executive vice president Manolo Aquino said the airline would resume 14 round-trip domestic flights on Wednesday, and may restart some international flights Oct. 15.

He said PAL plans to eventually scale down its operations and has returned several Airbus planes it will no longer need.

PAL officials, however, hope to get back two Boeing 747-400 planes seized recently in Los Angeles and Hong Kong at the demand of one of PAL's foreign creditors, the US Export-Import Bank.

Aquino appealed to militant union members still opposing the recovery plan to abide by the decision of the majority of the union's 6,700 members.

The militant workers said they plan to seek court action to declare the plan illegal. They claim the plan violates the constitution, which guarantees the right of workers to form unions and bargain collectively for labour benefits.

Cathay Pacific and the United States' Northwest Airlines are seriously considering buying into PAL, Aquino said.

IMF, WB warn against protectionism G10 calls for strict control of int'l capital flows

WASHINGTON, Oct 5: Finance officials from the top 10 industrialised nations yesterday called for tighter supervision of international capital flows in order to avert future financial disruptions, reports AFP.

The G-10 in a meeting here said it was imperative that both developed and emerging market economies take steps to improve the operation of their financial sectors.

In particular, they stressed the need to encourage better management of risk by the private sector," a G10 statement said.

The ministers and central bank officials urged "governments to limit the scope of guarantees that they provide in their markets."

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Republicans.

The G-10, chaired by British Chancellor of the Exchequer Gordon Brown, actually comprises 11 members, Belgium, Britain, Canada, France, Italy, Japan, the Netherlands, Switzerland and the United States, along with officials from the German and Swedish central banks.

Their deliberations were closely followed yesterday by a session of the International Committee, the IMF's policy-setting body.

Another report says, the heads of the IMF, the World Bank and the World Trade Organisation yesterday warned against any return to protectionism, which they said would be a "tragic mistake."

International Monetary Fund Managing Director Michel Camdessus, World Bank President James Wolfensohn and WTO Director General Renato Ruggiero issued a statement following a meeting here.

They also stressed that "pursuit of policies facilitating a return to more orderly financial markets and exchange rate stability are the immediate requirements for (economic) recovery."

They called for constant vigilance to counter any tendency to slip back into protectionism, which would be a tragic mistake and self-defeating strategy in an interdependent world.

Resorting to protectionism would make the present problems much worse by inhibiting trade flows and benefits they bring. Markets must remain open and here all countries have a role to play.

The warning echoed fears expressed by Asian finance officials that the United States, faced with an influx of imports made cheaper by declining Asian currencies, could erect trade barriers.

ASEAN aims at tariff cuts to ride out economic storm

MANILA, Oct 5: Trade ministers from recession-hit Southeast Asia meet here Wednesday and Thursday to try to agree an ambitious programme of regional tariff cuts so they can export themselves out of trouble, reports AFP.

The ministers will decide on a proposal to cut import tariffs on certain goods traded among the Association of Southeast Asian Nations (ASEAN) to between zero and five per cent by the year 2000, officials said.

ASEAN finance ministers will be absent so there will be no high-level discussions on Malaysia's maverick approach of imposing currency controls to tackle the financial crisis.

Assistant Trade Secretary Edcel Custodio of the Philippines said there was "unanimity" among ASEAN — Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam — that a solution to our problems lies with more intra-ASEAN trade.

He brushed aside concerns that the crisis would lead to a reversal of trade and economic liberalisation saying there was a need for "enhancing exchanges of products and services so as to be able to expand despite the financial crisis."

Most of the region is now in recession more than a year after the devaluation of the Thai

baht triggered an Asian-wide financial meltdown. For many countries the export sector is one of the few remaining bright spots.

Indonesia, Malaysia, Thailand and Singapore are expected to record positive swings in their trade balances between 12 and 30 billion dollars according to official figures.

Intra ASEAN trade made up 13.58 per cent of total ASEAN exports and imports of 61.2 billion dollars in calendar 1997, according to official Philippine figures.

Intra-regional trade has grown by a third over the past five years.

India asks for \$3b development loan from WB

By Vasantha Arora

WASHINGTON, Oct 5: Ignoring the lending constraints imposed by the nuclear-related sanctions, India has approached the World Bank for a record loan of three billion dollars for its development projects in the current fiscal year.

Finance Minister Yashwant Sinha, who is Washington to attend the World Bank-International Monetary Fund (IMF) annual meetings, made the plea yesterday during a meeting with Bank President James Wolfensohn.

Sinha said he expected that India would return to a growth rate of around six per cent this year, improving its performance over 1997, that too at a time when there was an economic downturn all around causing distress in East Asian nations, Russia and Japan.

In fiscal year 1998, which ended on June 30, India's loan tally from the World Bank was

over \$2.1 billion. Had it not been for the May nuclear tests which triggered US economic sanctions, India would have secured more than three billion dollars — a record of sorts. The Bank withheld infrastructure loans totalling \$800 million in pursuance of the sanctions at the end of the last fiscal year.

Asked whether India had taken into account the sanctions in demanding an enhanced line of credit, Additional Secretary in the Finance Ministry V. Govindrajana, who briefed the press about the Wolfensohn-Sinha meeting,

said there were positive indications of lifting of the sanctions slapped on India along with Pakistan immediately after the nuclear tests.

"We don't believe that the sanctions are a long-term affair," he remarked with an apparent air of confidence.

Sinha had raised the issue of sanctions with Wolfensohn in the context of constraints they had placed on the Bank's lending operations in India, which has been associated with the multilateral agency from its very inception 53 years ago.

The Bank chief is understood to have explained that his agency has of late been going ahead with approval of loans for projects dealing with "basic human needs." Two such projects — Uttar Pradesh Zodiatic Land Project and Maharashtra Health Project — totalling over \$300 million are currently under negotiations.

The Bank has no objection to credits proposals for education, health and agriculture. "It will defer those concerning infrastructure to be considered later," Govindrajana said without indicating when their turn would come.

Wolfensohn, however, was

happy at the performance of India's economy. He said India and China were two countries which appeared unshaken by the financial turmoil affecting other small as well as big economies and generating new uncertainties.

He had earlier gone on record complimenting India for its prudent economic management that helped it secure foreign investment without exposing its economy to the baneful effect of the Asian crisis.

Wolfensohn also reportedly praised India for raising resources through the Resurgent India Bonds (RIB) from non-ident Indians, yielding \$4.16 billion. It demonstrated market confidence towards the country's economy, Govindrajana said.

In reply to a related question, he said none had complained against the high interest rate of 7.9 per cent offered

against the bonds by the Reserve Bank of India (RBI). Besides, India has a comfortable foreign exchange position with about \$29 billion in reserve, he said.

Sinha also called on IMF Managing Director Michel Camdessus who congratulated India for doing well in adverse circumstances in its region and outside, posting higher growth and maintaining stability in its currency market.

The IMF's "World Economic Outlook" report, released last week, advised continued action on India's part to rein in the public sector deficit and to implement a wide range of structural reforms to contain the risk of macroeconomic instability. Sinha is understood to have explained the steps his government had of late been taking to deal with the situation.

Earlier, in his speech to the

Development Committee of the World Bank, Sinha favoured some kind of collaboration between the Bank and the IMF at this crucial juncture when many of the lending agencies' 182 members were facing financial crises.

"To ensure that the collaborative working culture penetrates at all operational levels, it is of importance to establish a supervisory mechanism at the Board level. Even a joint committee of Board Members of both the Bank and Fund may be explored," he added.

The minister met a wide spectrum of people, particularly from countries afflicted by the financial crisis. His callers included the finance ministers of Sri Lanka, Israel, Egypt, Russia and Indonesia.

— India Abroad News Service

Exchange Rates

The following are the Sonali Bank's dealing rates (BD Tk for one unit of Foreign Currency) to public as on 5th Oct '98.

Name of Currency	Buying		Selling	
	TT Clean	OD Sight	T.T. & O.D.	B.C.
US Dir	46.900	46.700	47.3095	47.3490
GB Pound	79.4066	79.052	80.6652	80.7215
D Mark	28.590	28.425	29.0837	29.1080
F Franc	8.520	8.455	8.6726	8.6799
C Franc	30.251	31.25	34.6000	34.3952
S Franc	34.6000	34.4600	30.8000	30.8258
JP Yen	0.361	0.3437		

S Franc 35.2506
JP Yen 0.3550

A) TT (DOC) US Dollar Spot Buying Tk. 46.8550		B) Usance Rate	
30	60	90	120
Days	Days	Days	Days
46.4675	46.0762	45.6850	45.2937
C) US Dollar sight export bill 3 months forward purchase: Same as OD sight export bill buying rate.			

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 5-10-98									
Berth No	Name of vessels	Cargo	L. port call	Local agent	Date of arrival	Leaving			
J/1	Salinthir Naree	Wheat(P)	Adel	Litmond	23/9	12/10			
J/2	Sarah-1	Rice(P)	Kaci	SMAL	28/9	7/10			
J/3	Chanda Naree	Wheat(P)	Suez	AASS	17/9	6/10			
J/4	Kallang	Sugar(G)	Clp	Litmond	27/9	10/10			
J/5	Nopporn Naree	R Seed	Fran	Seagloy	R/A	5/10			
J/6	Good Will	GI	Yang	AASS	3/10	6/10			
J/7	Xing Ye	Wheat(P)	N Ori	Rainbow	23/9	6/10			
J/8	Johan Crystal	GI	Sing	Prog	21/9	5/10			
J/9	Song ling	GI	S Hai	Prog	23/9	10/10			
J/10	Litsa	GTSP	Sing	USTC	19/9	08/10			
J/11	Kanev	Wheat(P)	Darb	Seagloy	19/9	08/10			
J/12	Xpress Resolve	Cont	Sing	QCSL	20/9	6/10			
J/13	Banga Biraj	Cont	Sing	Bdshp	2/10	5/10			
CCT/1	Prosrich	Cont	Sing	QCSL	30/9	6/10			
CCT/2	Richmond	Cont	Sing	QCSL	1/10	7/10			
CCT/3	Jurong Balsam	Cont	Sing	NOL	2/10	7/10			
RM/14	B J Energy	Cement	P Kel	USTC	23/8	8/10			
CCJ	Rojarek Naree	e Clink	Indo	Unicorn	15/9	6/10			
CSJ	Adhiguna Jaya-1	Rice(G)	-	USTC	R/A	5/10			
TSP	Seap Panther	R Phos	Hamr	Seacom	16/9	4/10			
RM/4	Pavlovo	Cement	Indo	Delmure					