

Indonesia seeks ways to monitor forex flows

JAKARTA, Oct 6: Indonesia is studying various ways to monitor foreign exchange flows...

India blasts IMF, WB for sustained ODA reduction

WASHINGTON, Oct 6: India yesterday slammed IMF and the World Bank for a sustained reduction in Official Development Assistance (ODA)...

While the world is facing the biggest financial challenge in half a century, ODA as a share of gross national product of industrialised countries has dropped to 0.22 per cent...

Rescue packages which are essentially in the nature of liquidity support should not become a regular bank operation...

This was apart from the key role of ODA in promoting investments in human capital and other social sectors in developing countries...

While exploring solutions to overcome constraints on net income of the institutions, we find that focus has primarily been on increasing revenues through higher lending rates...

He, however, commended the bank for the speed with which it assisted member states during the current crisis.

However, an important issue that we need to address in this context is whether within the overall mandate of the institution, it is appropriate to extend assistance that is primarily in the nature of liquidity relief.

Rescue packages which are essentially in the nature of liquidity support should not become a regular bank operation...

Sinha complained that while the issue of raising the charges for World Bank loans was to be increased by consensus among the executive direc-

tors, it was actually done by majority vote.

While exploring solutions to overcome constraints on net income of the institutions, we find that focus has primarily been on increasing revenues through higher lending rates...

Since the executive board had decided to reassess this issue in about 12 months, the fund-bank must move towards a system of burden-sharing and define it in an equitable framework...

The need for multilateral institutions acting in full collaboration with each other, is greater now than it was ever before in view of the troubled economic times which the world is currently experiencing...

Malaysian govt predicts early economic recovery

KUALA LUMPUR, Oct 6: Moves by the government to fix the exchange rate and halt trading of its currency overseas could lead to recovery as early as 1999...

The foreign exchange reserves have gone up, there are signs that confidence has returned, said Daim Zainuddin, the special minister in charge of recovery programmes.

Banks have started to lend, the private sector is now borrowing, and economic activity is picking up...

The Southeast Asian nation's gross domestic product shrank by 2.8 per cent in the first quarter of 1998 and by 6.8 per cent in the second.

Two months ago, Malaysia jettisoned the orthodox economic wisdom of imposing austerity measures to fight recession.

Instead, Prime Minister Mahathir Mohamad and Daim promoted greater bank lending and revived many expensive

government projects which, some economists believed, were the cause of Malaysia's economic ailments.

Last month, the government imposed capital controls, which effectively pegged the Malaysian ringgit at 3.80 to the US dollar.

The government said the move was designed as a cushion to allow a loosening of monetary policy to promote growth.

As a result, Daim said, the third quarter's GDP figures won't be as bad as the second quarter's.

Daim said capital controls will be removed once the economy recovers and there is no need to insulate it from currency speculators...

We are committed to ending capital controls, but only if the world's financial community instills greater discipline into the international currency market...

Exchange Rates

Table with columns: Currency, Selling & OD, Buying TT, Selling TT, Buying BC, Buying OD, Buying TT & OD. Includes rates for USD, GBP, DEM, JPY, FRF, SAR, MYR, AED, KWD, QAR.

Table with columns: TT Doc, 30 Days, 60 Days, 90 Days, 120 Days, 180 Days. Includes rates for 46.8112, 46.5191, 46.1282, 45.7373, 45.3463, 44.5645.

US dollar London Interbank Offered Rate (LIBOR) as of October 06, 1998

Table with columns: Currency, 1 Month, 3 Months, 6 Months, 9 Months, 12 Months. Includes rates for USD and GBP.

Table with columns: Indian Rupee, Pak Rupee, Thai Baht, Malaysia Ringgit, Indonesia Rupiah, Korean Won. Includes rates for 42.39, 54.14, 38.88, 3.8000, 9800/1000, 1387/1389.

AMEX notes on Tuesday's market

USD/BDT market was moderately active on Tuesday. USD/BDT mostly traded within range of 47.24-47.2500. Call money market was steady on Tuesday...

The dollar was down against the yen in late Tokyo trade on Tuesday in view of continuing concerns over a possible global credit crunch and fragile Wall Street stocks...

The dollar made a weak start in Europe on Tuesday. Dollar was under pressure from the prospect of further US rate cuts and concerns over US President Bill Clinton's political fate...

The dollar recovered slightly in morning trade from an early 20-month low against the mark and 2 1/2-month low in the Swiss franc...

At 1800 local time in the international market the USD traded at 1.6419/22 DEM, 132.70/74 JPY, 5.5059/69 FRF, 1.3510/20 CHF, and GBP at 1.6824/34 USD.

Shipping Intelligence

Chittagong port

Table with columns: Berth No, Name of vessels, Cargo, L port call, Local agent, Date of arrival, Leaving. Includes vessels like Salinthir Naree, Sarah-1, Chandra Naree.

Table with columns: Name of vessels, Date of arrival, L port call, Local agent, Cargo, Loading port. Includes vessels like Kota Bintang 27.9, Makron, Eastwood.

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US business chief urges Japan to put banking system in order

TOKYO, Oct 6: The president of the US Chamber of Commerce urged Japan's leaders on Tuesday to move quickly to clean up the country's debt-ridden banking system...

Japan must find the will to put its financial house in order and to do so without delay, Thomas Donohue told a press conference.

He also said the enormous bad-loan problem at Japan's banks threatened to curtail recovery in Asia...

And Asia's cricket has already hurt US companies and put Americans out of work, he said.

US exports to Asia have dropped nearly 14 per cent in the first half of this year...

Also, he said that many of America's biggest companies have cut profit forecasts because of falling demand for their products in Asia.

Mongolia seeks Japan's backing for its APEC bid

TOKYO, Oct 6: Mongolian foreign minister on Monday asked Japan to support his country's bid to join the 18-nation Asia-Pacific Economic Cooperation, reports AP.

Mongolian Foreign Minister R Amarjargal told his Japanese counterpart Masahiko Komura that Mongolia wants to start as an observer before becoming a full APEC member...

Mongolia participated in APEC's regional forum meeting in July.

Amarjargal also asked for Japan's continuing economic support for the stabilisation of the Mongolian economy...

During the meeting, Komura expressed sympathy over the weekend slaying of Mongolian Infrastructure Minister Sanjaasuregin Zorig.

Asia woes still haunt Motorola

CHICAGO, Oct 6: Motorola Inc. reported a third-quarter loss Monday as it struggled to correct costly mistakes in its business structure...

Still, the company beat Wall Street expectations.

The world's largest maker of mobile phones, pagers and telecommunications equipment...

The news, indeed, was not good. Computer chip sales tumbled 14 per cent to 1.8 billion dollars from 2.1 billion dollars in the year-ago quarter...

Retegrably, the Asian economy and slowing of global economic growth have impacted Motorola since earlier this year...

For the three months ended Sept. 26, the company reported a loss of 42 million dollars or 7 cents a diluted share on sales of 7.2 billion dollars...

But the Democrats, a third party that holds the balance of

Depressed Indian capital market may plummet further

By Hemant Babu

MUMBAI, Oct 6: Bad news arrived thick and fast for India's capital market this week and indicators plummeted even though trading on Monday had begun on an optimistic note...

Starting out on an upbeat mood following signs of India's improving relations with the US and Pakistan following Prime Minister Atal Behari Vajpayee's trip to New York last week, indicators in the Indian markets began plummeting before trading closed on Wednesday.

Markets remained closed on Thursday and Friday, which were declared national holidays. There was hope that following Vajpayee's expression of India's intent to sign the Comprehensive Test Ban Treaty (CTBT) before September 1999...

But confusing signals emanated from Washington. Though President Bill Clinton was empowered by Congress to lift the sanctions for a year, the White House made it clear that the curbs may not be done away with just yet...

Between July 1997 and June this year, UTI had to post Rs. 10.98 billion (\$261 million) of negative balance in its general reserve, which would effectively mean a sharp decline in the basic unit capital. In other words

markets took a nosedive. The Dow Jones industrial average fell by more than 200 points amid fear of falling corporate bottom lines and possibility of a global recession.

On Wednesday, the last trading day of this week in Indian markets, the Bombay Stock Exchange (BSE) Sensitive Index, or Sensex, lost 45 points and closed at 3102. The National Stock Exchange indicator, Nifty, too fell from 908.20 to 896.85, but recovered at the end and closed at 904.95...

Unit-64 has been one of the most favoured investment schemes among the Indian middle-class and even non-resident Indians (NRIs) seeking safety of money and reasonable returns. The success of the scheme had made UTI the country's largest mutual fund which survived the worst crisis in the Indian capital markets.

Unit-64 has a corpus fund of Rs. 220 billion (\$5.23 billion) and 21 million unit holders across the country and abroad.

However, this did not help. On Thursday the UTI chief announced that about four per cent of Rs. 220 billion (\$5.23 billion) of the mutual fund's equity would be offloaded in the market.

This is indeed disturbing, said P. Ananthraman, a top official of the Capital Market group. His sentiment was echoed by S. Chandrasekhar of the MB group of Financial Services, who said: "We thought UTI was one among a few institutions making money and now we realise even they did not make enough money, which they should have."

Going by this nervousness, the market looks set to take a downward journey when it reopens on Monday.

India Abroad News Service

money that an individual invested in the mutual fund. UTI on Wednesday hiked the sale and repurchase prices of Unit-64 by 15 paise (\$0.003). The new prices, which would be valid for the month of October, were at Rs. 14.55 (\$0.34) and Rs. 14.25 (\$0.33) respectively.

Clearly, events in Asia, Russia and Latin America are having a direct impact on the prosperity of America's farmers, workers and businesses," Rubin said.

The study was made available as US officials worked behind the scenes on a multibillion-dollar bailout package for Brazil and President Clinton convened a meeting of financial officials from 22 nations searching for ways to combat a widening global economic crisis.

The foreign market turmoil, which has plunged a number of Asian countries into deep recessions, has been felt even in small states from Delaware to Wyoming. Delaware has lost 20 per cent of its exports to the region, and Wyoming has seen Asia sales plummet by 63 per cent.

Nationally, 30 per cent of total exports go to Asia, including 40 per cent of farms exports. Federal Reserve Board mem-

ber Laurence H. Meyer said Monday that last week's Federal Reserve cut of a key short-term interest rate was based on what the Fed anticipates will be a significant drop in US growth, linked to world events.

The Federal Reserve is... not the central bank for the world," Meyer told the National Association for Business Economics. "On the other hand, we live in the world economy, and, therefore, have a powerful interest in its prosperity."

The Fed cut the benchmark rate on overnight loans by a quarter percentage point to 5.25 per cent. It was a small cut, Meyer said, because it was precautionary and pre-emptive and was justified by the sharp change in economists' forecasts for next year.

A 36-member panel of economists who are members of the National Association for Business Economics forecast growth of 2.2 per cent next year.

Meghna Life's premium earnings up 46 pc

Meghna Life Insurance premium income has increased by 46 per cent over the previous year, according to a company press release.

Nizam Uddin Ahmed, Chairman of the Company, disclosed this while addressing the 2nd annual general meeting of the company.

The company earned a premium of Tk 4.81 cr against Tk 3.29 cr in the previous year," Ahmed said.

Vice-chairman Shah Alam, Director Md. Abdul Hal, Managing Director Mujib-ud-Daula, Director of Karnaphuli Insurance Company Hasina Nizam and other directors of the company were also present in the meeting.

Global economic meltdown hits all US states

WASHINGTON, Oct 6: Pressing Congress to provide 18 billion dollar to the International Monetary Fund, the Clinton administration compiled statistics showing no US state has escaped the adverse effects of the global economic crisis...

The Treasury Department study found that California, America's No. 1 exporter to Asia, accounting for more than one fourth of shipments, saw sales to the region fall 11 per cent from the first quarter of last year to the first three months of this year.

The study demonstrates the importance of international trade with both Asia and the world's developing nations to each state. US Treasury Secretary Robert Rubin said in a statement accompanying the report.

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BEIJING, Oct 6: Trade and investment ties between Britain and China have shown a distinct improvement since the return of Hong Kong, and British business is looking to Prime Minister Tony Blair's visit this week to add further momentum, reports AFP.

Before the return of Hong Kong, there was a fear that (political difficulties over) Hong Kong could prejudice British business in China, said Jeanne-Marie Gescher, Chairman of the British Chamber of Commerce in Beijing.

The significant point is that British companies are no longer reporting that they fell disadvantaged compared to other nations and there is now a marked enthusiasm here for doing business with Britain.

Blair is scheduled to arrive in China on October 6 for a trip that has already been hailed by Beijing as a high point in its relations with London following the political wrangling in the run up to Hong Kong's return to Chinese sovereignty on July 1, 1997.

That wrangling led to repeated threats from the Chinese leadership that economic cooperation would be hit but Britain remains the top European investor in China and number three European trading partner.

In addition to Hong Kong's return to China, Asia's financial crisis has also sharpened Chinese interest in trade and investment from around the region shrink away.

"In our dealings with trade officials from all over China, we have experienced in increased interest in cooperation with British business," said Josh Green, Chief Representative in China for the China-Britain Business Council.

He said the year-long "Britain in China" initiative which started in January and has already attracted five cabinet ministers including Deputy Prime Minister John Prescott was helping to promote an idea of "cool Britannia," and innovative British business in China.

Howard vows to slam his tax reforms through parliament

SYDNEY, Oct 5: Prime Minister John Howard says he will ram his tax reforms through Parliament quickly after his narrow weekend re-election victory, despite senators who on Monday pledged to thwart him, reports AP.

Howard's insistence on linking tax reforms to a new 10 per cent tax on all goods and services, including food, was a millstone around the conservatives' necks.

Voters re-elected them Saturday, but cut their majority in the 148-seat House of Representatives from 91 to a probable 78, according to current vote counting, which is still ongoing in undecided districts.

The main opposition Labour Party led by Kim Beazley boosted its seats from 49 to a probable 69.

Despite the revolt against the government, based almost solely on opposition to its proposed 10 per cent goods and services tax, Howard said: "I would like the tax legislation passed as soon as possible. I don't think it's complicated. I think there's been a lot of debate about the package."

Howard said in his victory speech Saturday night, "I want to thank the Australian people for embracing a bold economic reform that is in the long-term interest of the Australian

community." But talk radio shows on Monday erupted with arguments over whether Howard had really won a mandate for the 10 per cent sales tax.

Conservatives, often employing sports analogies, said "winners are grinners," that Howard won re-election, and so the people have agreed to back his tax reforms.

Skeptics pointed out that polls showed 60 to 66 per cent of Australians opposed the 10 per cent tax during the campaign, and 60 per cent of voters backed parties opposed to it — Labor, the Democrats, One Nation and others.

Even some of rural conservative National Party legislators, who are the junior coalition party with Howard's Liberals, oppose the goods and services tax.

Queensland National Party member of Parliament Bob Katter said Monday, "I'm not sure of the make-up of the Senate, but I am sure that there are modifications that need to be made to that package."

There will be a push from within the conservative coalition to change it, Katter said.

HK handover works as a booster

UK remains top European investor in China

BEIJING, Oct 6: Trade and investment ties between Britain and China have shown a distinct improvement since the return of Hong Kong, and British business is looking to Prime Minister Tony Blair's visit this week to add further momentum, reports AFP.

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A four-day refresher course was held from 28th September to 1st October for the branch in Dhaka. Sylhet and Narayangang-based Bhuiyan Computers offices in the support office of the company in Dhaka. In the various technical sessions, distinguished personalities specialized in the fields participated. Aminur Rashid, faculty member of Asian University of Bangladesh and Marketing Executive of Siemens Bangladesh Ltd, is seen giving a lecture on market analysis.

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.