

Asian economies set to worsen amid deepening global crisis

HONG KONG, Oct 14: Asian economies are set to worsen as the crisis which began in the region more than a year ago goes global, Dresdner Kleinwort Benson (DKB) said yesterday, reports AFP.

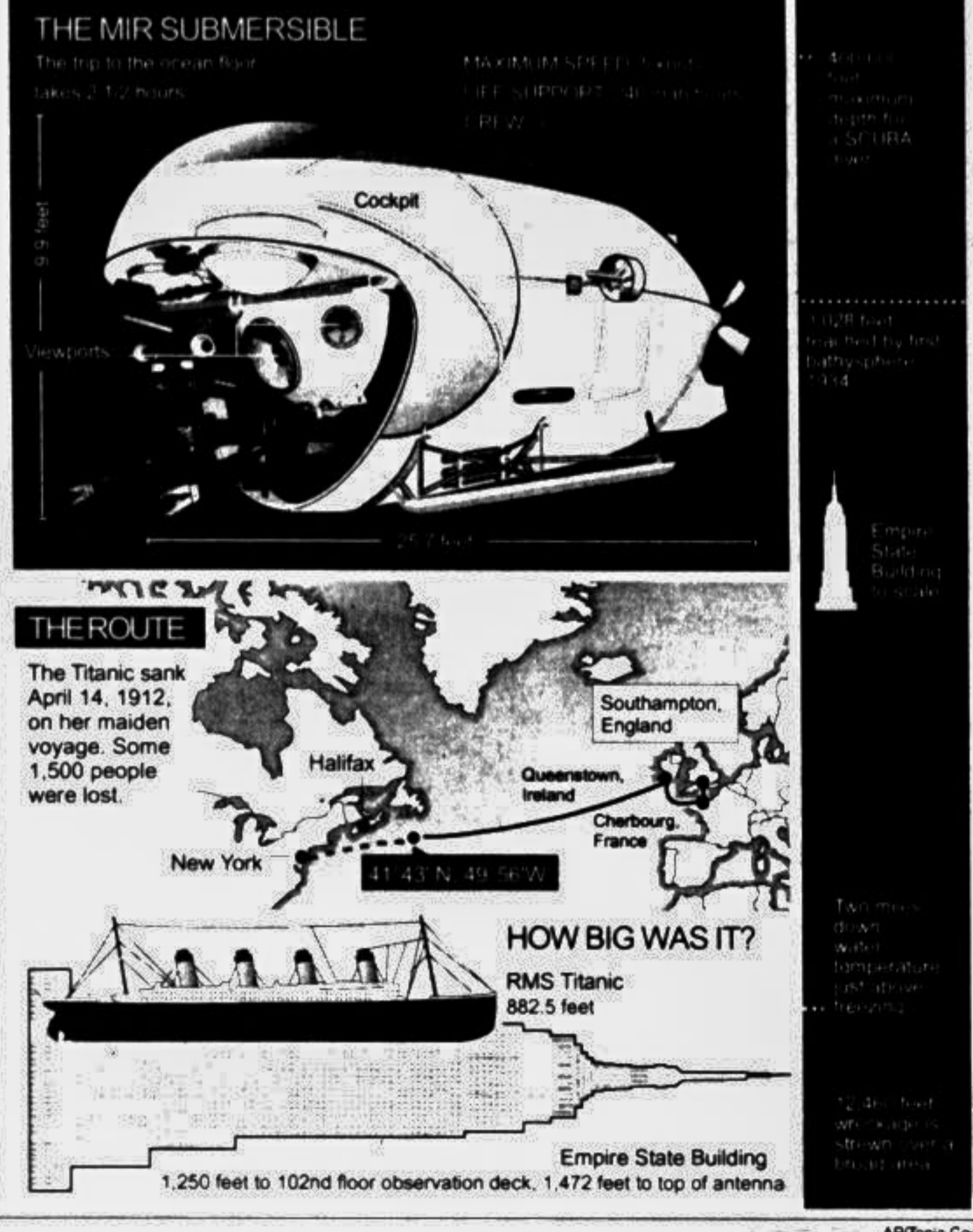
"South Korea and Thailand are best set to recover exchange rate stability thanks to their restructuring efforts," the economists said.

China is forecast to miss its official growth target of eight per cent hitting 7.3 per cent instead according to the investment bank.

Malaysia, which last month controversially introduced capital controls to protect its economy from the market turmoil, "is not rushing to reform," its economy will contract by 5.6 per cent, according to the report.

Titanic tourism

At a cost of \$32,500 each, sightseers will be able to tour the wreckage of one of the world's most haunting disasters.



Shrimp-turtle case

WWF blasts WTO for its 'bias' against environment

GENEVA, Oct 14: The World Wide Fund for Nature yesterday sharply criticised the World Trade Organisation for failing to change what it called its 'bias' against the environment in the famous shrimp-turtle case, reports AFP.

The WTO keeps moving the goalposts, creating new tests at every turn for any country wishing to prevent environmental damage associated with international trade.

The WTO also called for a fundamental reform of WTO rules in a bid to address what it called "internal contradictions" within the organisation and to safeguard the global environment.

The WWF made its remarks in reaction to a WTO appellate body report issued on Monday that faulted the United States for administering in a discriminatory way a law calling on countries to use turtle-excluding devices (TEDs) during their shrimp-catching operations.

However, the experts agreed that the law itself was in conformity with WTO rules, overturning an earlier verdict by WTO experts in April that it violated Washington's trade obligations.

The case against the US law at the WTO was brought by Malaysia, Thailand, India and Pakistan in October 1996.

The statute allows for restrictions on imports of shrimp caught in nets by trawlers not equipped with TEDs, which prevent accidental deaths of sea turtles snared in the fishing process.

The WTO "has failed to correct its bias against the environment in the last chance it had" in the shrimp-turtle case, the WWF said in a statement issued in Geneva.

This WTO appeal court ruling still denies individual countries the right to restrict trade even when species, in this case sea turtles, are endangered and complainant countries have signed environmental agreements to protect them.

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Exchange Rates

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

Table with columns: Bill buying rates, TT Doc, 30 Days, 60 Days, 90 Days, 120 Days, 180 Days. Lists rates for USD and US dollar London interbank offered rate.

Table with columns: Buying, Selling, Currency, 1 Month, 3 Months, 6 Months, 9 Months, 12 Months. Lists rates for Cash and T.C.

Table with columns: Indian Rupee, Pak Rupee, Thai Baht, Malaysian Ringgit, Indonesian Rupiah, Korean Won. Lists exchange rates.

AMEX notes on Wednesday's market USD/BDT market was active on Wednesday with moderate dollar demand USD/BDT mostly traded within the range of 47.2250-47.2450.

Call money market was slid from its Tuesday's high of 11.25 per cent Call rates opened at 10.00 per cent 11.00 per cent and then came down to 9.25 per cent.

The dollar gained against the yen in mid-Tokyo trade on Wednesday. The dollar remained firmly above 119 yen on bargain-hunting by Japanese investors and importers.

The dollar was firm against the mark at European mid-session. The mark came under pressure from Bundesbank members' comments on German interest rate prospects and currencies.

At 1800 local time in the international market, the USD traded at 1.6422/6430 DEM, 119.50/119.55 JPY, 5.5064/5074 FRF, 1.3312/3322 CHF, and GBP at 1.6995/7000 USD.

Shipping Intelligence

Chittagong port Berth position and performance of vessels as on 14.10.98

Table with columns: Berth No, Name of vessels, Cargo, L port call, Local agent, Date of arrival, Leaving. Lists various ships and their schedules.

Vessel due at outer anchorage

Table with columns: Name of Vessels, Date of Arrival, L.Port Call, Local Agent, Cargo, Loading Port. Lists vessels and their arrival details.

Vessels at Kutubdia

Table with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival. Lists vessels and their arrival details.

Vessels at outer anchorage Ready on

Table with columns: Zarina-1, Developing Road, Mop, Ilyi, Litmond, Karna. Lists vessels and their arrival details.

Vessels awaiting instruction

Table with columns: Karya Sentosa, Rong Jiang, Eka Lestari, Shong Chong Gang, Riz, Delta Star, Adhiguna Jaya-1, Tempest, Silver Star, Banglar Shourbah, Banglar Jyoti. Lists vessels and their arrival details.

Movement of vessels for 15.10.98

Table with columns: Outgoing, Incoming, Shifting. Lists vessel movements and shifts.

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

Yen falls, mark rises against dollar in London

LONDON, Oct 14: The dollar posted gains against the yen yesterday on the London forex market as worries about a hedge fund panic eased, but the greenback slipped slightly against the mark, reports AFP.

The dollar was up in late afternoon to 119.08 yen from 117.71 Monday evening in London, but was off to 1.6394 marks against 1.6506.

The market tried to test the dollar upward against the yen, said Jesper Dannesboe, an economist at ABN Amro in London.

Thus the dollar briefly moved above 120 yen in the afternoon before coming back below that level.

The economist said dealers might be tempted to push the dollar above 120 yen again, and as far as 125 since "the Japanese fundamentals are going to come back on centre-stage," and they are negative for the currency.

The yen was not helped Tuesday by a 2.3 per cent plunge on the Tokyo stock market, despite adoption by the Japanese lower house of a bill aimed at helping to put the banking sector bank of its feet.

Reforms open up Turkish market: WTO

GENEVA, Oct 14: Broad reforms undertaken by Turkey linked to its customs union with the European Union have boosted market access and created business opportunities for investors, the World Trade Organisation said yesterday, reports AFP.

But the WTO, in a review of Turkey's trade policies made public on Tuesday, voiced concern that Ankara had backtracked on liberalisation in agriculture, which it continued to protect heavily.

Under the Turkey-European Union Customs Union, which took effect in January 1996, Ankara adopted the EU common external tariff on most industrial imports and virtually eliminated import surcharges.

Turkey has also harmonised much of its legislation with that of the EU in areas such as competition policy, customs provisions, intellectual property rights, state aid and standards, the WTO said.

These reforms "have led to improved market access and a more secure trading environment for all investors and traders," the WTO said.

The WTO's trade policy review body completed its two-day review of Turkey on Tuesday.

As a result of these policies, the average tariff fell to 13 per cent in 1996 from 27 per cent in 1993, the WTO report said.

S & P credit rating bodes ill

Pakistan unlikely to get new commercial loan

ISLAMABAD, Oct 14: Pakistan - scrambling to raise funds to meet its external debt obligations - is unlikely to get new commercial loans and may find difficulties in trade financing after an international rating agency downgraded the country's credit rating, analysts said Tuesday, reports AFP.

Standard & Poor Monday downgraded Pakistan's long-term foreign currency issuer credit and gave it the lowest credit rating on its rating scale.

It now is a negative rating down from a less damaging negative implications rating.

The repayments on \$32 billion of external debt have already been delayed as the country faces an acute shortage of foreign exchange.

S&P said the downgrade reflects the increased likelihood that Pakistan will have to reschedule its multi-lateral and bilateral debt to bridge a \$5 billion financial gap for the current fiscal year.

Pakistan has been given a triple 'C' minus rating.

The S&P said this means that the risk of the country defaulting on its loans is "substantial and growing."

"This was already anticipated... Pakistan has already delayed the payment of its external debt and knows that it is difficult to raise new commercial loans," Mushtaq Khan, chief analyst of ABN Amro Bank told The Associated Press.

Pakistan's economic managers are holding crucial talks with the International Monetary Fund to arrange emergency funding to meet its immediate external debt liabilities.

Khan said that until the IMF approves a new relief package, the country will not get fresh commercial loans, including a \$1.5 billion emergency package previously agreed to by the Islamic Development Bank.

"The IDB is looking for a nod from the IMF... At this point it will be silly for Pakistan to go out to raise funds," he said.

Nadeem Naqvi, chief analyst of International Asset Management Company, said the

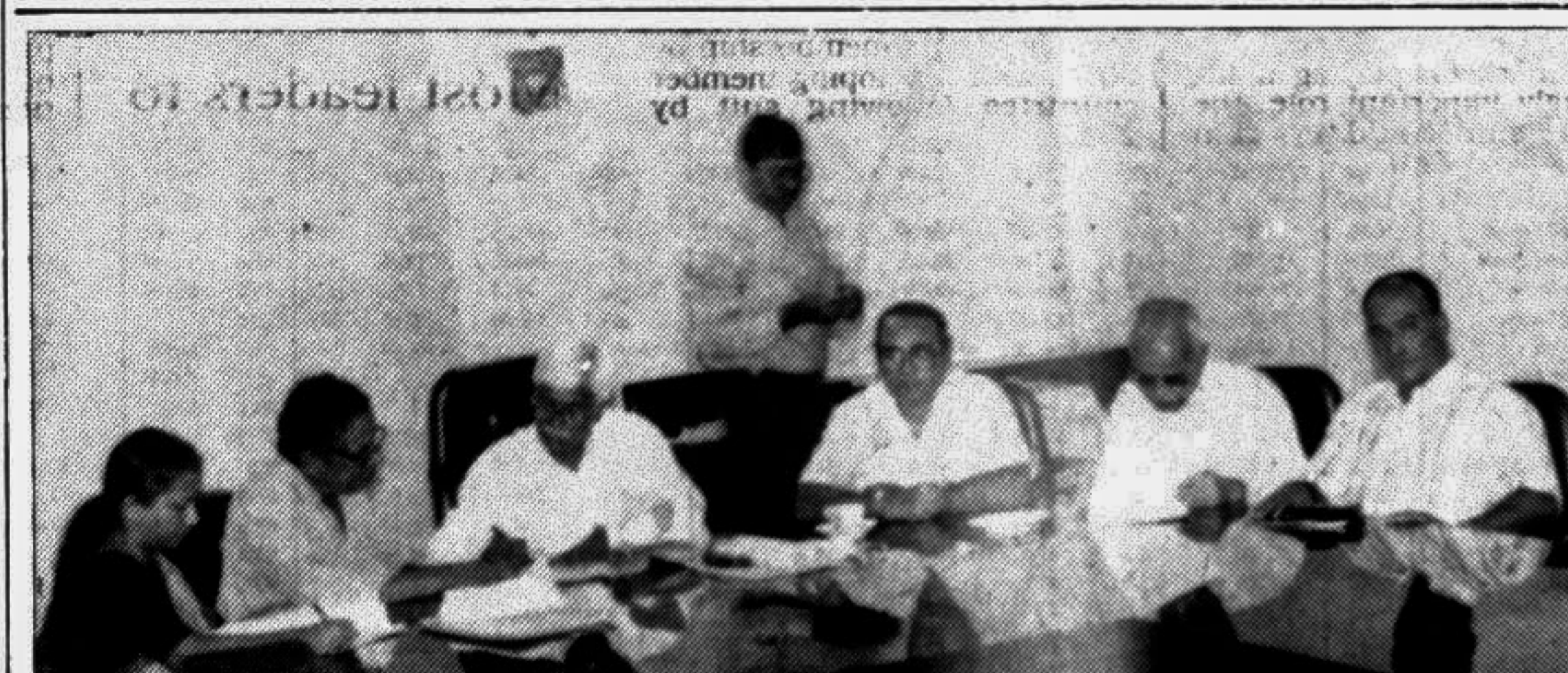
IMF and World Bank funding is likely to come through, but it will be delayed.

"The downgrading of Pakistan's credit rating was expected and is not a surprise. In practical terms, there will be no major impact as far as borrowing is concerned as nobody is lending to Pakistan on sovereign or commercial basis, because the country risk is already very high," he said.

But Pakistani commercial banks may face further difficulties in trade financing and opening letters of credit after S&P's downgrading.

"It may also have potentially adverse effects on commercial transactions of insurance and freight as the providers of these services may demand cash payments (from the country)," he said.

"The credit rating downgrade has postponed any chances of an early recovery in the market and has given a signal to foreign investors to stay away from Pakistan at the moment," he said.



Engr M Abu Taher, Convener of the Building Sub-committee of Peoples Insurance Co Ltd, signs an agreement with the consultant for construction of a 20-store office building of the company. On behalf of the consortium, Bashirul Haque and Shahzia Islam signed the agreement while Directors Ghashuddin Ahmed and Golam Faruk Ahmed were present.

Japanese economy may take three yrs to recover

TOKYO, Oct 14: The Japanese government now expects the troubled economy could take up to three years to recover instead of the two years it previously projected, a top official was quoted as saying Wednesday, reports AP.

The comment by Chief Cabinet Secretary Hiroshi Nonaka, reported by Kyodo News agency, was the second time in recent days that a Japanese official has downplayed hope for an economic turnaround next year.

Last week, the government revised down its economic forecast for the fiscal year ending March 31, predicting shrinkage of 1.8 per cent instead of the previously forecast growth of 1.9 per cent.

"We think the economy will recover in two or three years," Nonaka was quoted as saying to reporters. Until now, the government has said the recovery

would take one or two years.

The dour prediction came as an advisory economic panel to Prime Minister Keizo Obuchi urged the government to inject "tens of trillions of yen" (tens of billions of dollars) in public funds into financial institutions and to approve more than 10 trillion yen (\$48 billion) in a stimulus spending.

Acknowledging the severe state of the economy, the Economic Strategy Council report said that the money was needed to stabilize the financial system, stop economic contraction and bring the economy to the zero-growth level.

The stimulus spending should include both public works spending and reductions in corporate and income taxes, the panel said.

The government has promised to lower corporate and income taxes by substantially more than six trillion

yen (\$50 billion) next fiscal year.

Nonaka said the government would consider the proposals.

Japan is fighting its deepest recession since the end of World War II. In fiscal 1997, the economy shrank 0.7 per cent. Economic Planning Agency chief Taichi Sakaiya said Sunday that the economy would also likely shrink next year as well.

Also Wednesday, the Sanket newspaper reported that a government panel was expected to conclude that the troubled Long-Term Credit bank is insolvent after it looks at the results of its recent inspection of the bank.

Nonaka, however, played down the story, saying that he had received no report that the bank was insolvent. The LTCB, one of Japan's biggest lenders, has been rumored to be on the verge of collapse since summer.

Indian gets World Food Prize

WASHINGTON, Oct 14: A small-town Indian farmer who built his country's largest seed distribution company is recipient of the 1998 World Food Prize, donors announced Tuesday, reports AP.

The \$250,000 prize, which in 12 years has become the top international award recognizing contributions to the world food supply, is to be formally presented to BR Barwale in Des Moines, Iowa, on Thursday.

"Today, I am a man with a suit and tie, but basically I'm a simple Indian farmer from a small town," said Barwale, introduced at a news conference by prize founder Norman E Borlaug, who won the Nobel Peace Prize in 1970 for his work in developing high-yielding grain.

Barwale is chairman of Maharashtra Hybrid Seeds Co, also known as Mahyco. His company sells seeds to farmers

throughout India and has plans to expand into Africa.

Mahyco is the world's largest producer of hybrid cottonseed and, with its production of more than 300 varieties of rice, wheat, corn, sorghum and other seeds, has contributed to India's becoming food self-sufficient in recent years.

The World Food Prize is awarded annually by the private World Food Prize Foundation based at Iowa State University College of Agriculture in Ames, Iowa.

Robot sales hit record high: UN report

GENEVA, Oct 14: Robot sales are at record levels, but the machines are far short of taking over the world, according to a United Nations report released Wednesday, reports AP.

While robots are marching ahead in electronics and machine manufacturing, they haven't made expected inroads into the food industry and farming, the UN Economic Commission for Europe said.

Some 85,000 robots were sold last year, up six per cent from 1996, said the commission's World Robotics 1998 report, published with the international Federation of Robotics. The previous record of 81,000 was set in 1990.

The United States and western Europe fueled the surge, according to the 300-page report. But in Japan, the world's most automated country, sales slowed, with many robots being installed as replacements. The worldwide value of the market was put at \$4.8 billion last year, down four per cent from 1996.



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