

DThe Daily Star DUSINESS

DHAKA, SATURDAY, OCTOBER 17, 1998

Automatic ASW-40M Machine

Indian population breaks 1 billion barrier in 2000

NEW DELHI, Oct 16: India's population will break the onebillion barrier on May 11, 2000 a National Census official said on Thursday, reports AFP.

"According to our projections, the one-billion mark will be crossed on May 11, and the Indian population will be 1.012 billion by the year 2001," Census Commissioner of India M Vijayanunni told AFP.

As of 2:40 pm (0910 GMT) on Thursday, the population clock on the Census Department's Internet hitt:/www.censusindia.net, read 975.435 million. The clock

ticks over every two seconds. "Our population will overtake China by the year 2040" Vijayanunni said, adding that he was "seriously concerned" at the prospect of food and water shortages in the future.

"The growth of population is a matter of grave concern China has three time the land area of India, where the resources and sustainability of the population are under threat."

The last Census in 1991 put the number of people at 843.9 million, and Vijayanunni said preparations had begun for the next head count in 2001.

Seed dearth may hit Magura onion cultivation

From Our Correspondent MAGURA, Oct 16: Shortage of seeds is likely to hit onion

cultivation in the district and

surrounding areas during the current season. According to Agriculture Department sources, about 10,000 hectares of land come under

onion cultivation in the areas in every rabi season. The farmers in the district are facing a severe dearth in

onion seeds in the local markets as they failed to grow it last year due to unfavourable weather, market observers said. Onion seeds are collected from onion flowers during the

month of Chaitra and

Baishakh. The onion flowers were damaged last year by repeated rains and foggy weather. A small number of farmers who were able to grow onion seeds in spite of the vagaries of weather are selling it at Tk 2500 to Tk 3000 per kg. The rate ranged between Tk 300 and Tk

400 per kg last year. Meanwhile smuggled Indian onion seeds are being sold Tk 800 to Tk 900 per kg, local farmers told this correspon-

Credible economic programme can win more IMF money for Russia'

PARIS, Oct 16: The International Monetary Fund will provide more cash to Russia only if Moscow comes up with a "credible" economic programme, IMF Director General Michel Camdessus said here Thursday, reports AFP.

"The IMF can only give aid to Russia provided it presents a credible programme," said Camdessus at a meeting organised by the French Banking Association.

"After all the ups and downs that we have had with Russia, it will have to take a good few measures before we will pay any money, and there will be a period during which it will be judged on how it fulfills its commitments," Camdessus

"I have no proof of corruption and embezzlement of IMF funds in Russia," Camdessus added. He stressed that the official of the state audit body, who made the accusations, was answerable to the Duma, the communist-dominated lower house of parliament.

Number of Aussie millionaires doubles

SYDNEY, Oct 16: The number of Australian millionaires more than doubled over the past five years, with almost half the nation's wealth row concentrated in the hands of just 10 per cent of the population, economics forecaster Access Economics said today, reports AFP. Between 1993 and 1998 the

top 10 per cent of Australian income-earners saw their share of wealth rise from 43.5 per cent to 48.2 per cent, Acces said.

The top one per cent of income-earners now control 15 per cent of the country's wealth compared with 12.2 per cent five years earlier.

In 1993 there were 71,700 millionaires in Australia, five vears later the number of Australian millionaires has doubled to 188,200, Access found.

Between 1993 and 1998, the total wealth held by millionaires in Australia soared by 241 billion dollars (144 billion US) to 377 billion (226 billion US) a 177 per cent increase.

Over the same period the wealth of the rest of the population rose by 286 billion dollars (171 billion US) to 1,376 billion

(825 billion US). In absolute terms the wealth of millionaires rose almost as much as the rest of the population in the five years, Access

'A lot remains to be done for India'

Higher growth prospect no alibi for complacency: Vajpayee

NEW DELHI, Oct 16: Prime Minister Atal Behari Vajpayee said yesterday India would achieve higher growth in gross domestic product (GDP) in 1998/99 than many major economies, but there was no room for complacency, reports

There is a lot that remains to be done, and we face a host of problems in infrastructure, in exports, fiscal areas, in deregulation of public enterprises and in reducing price rises. Vajpayee told a meeting of his Economic

Advisory Council. The prime minister said recent data from the Department of Statistics had shown that .GDP growth would rise to 6.3 per cent in 1998/99 from 5.1 per cent the previous year.

Except perhaps for China, he said, no other major country

losing more than 2 yen.

TOKYO, Oct 16: Asia's top

three stock markets enjoyed big

gains Friday, including 7.5 per

cent jumps in Hong Kong and

Singapore, thanks to the unex-

pected reduction in US interest

rates, followed by a surge on

But the dollar took another

slide against the yen, which

hurts Asian exporters, and

some analysts said it won't take

long for local concerns to over-

ride the benefits of America's

eased by the US rate cut, but the

problems remain with Japan's

domestic economy," said Kenji

Karikomi, a general manager at

the United States provided Asi-

a's rattled and depressed mar-

kets with one good sign after

two weeks, the US Federal Re-

serve cut interest rates by a

quarter-point. The surprise re-

ductions ignited an explosive

rally on Wall Street. The Dow

Jones industrial average ended

the day up 330.58 points, or 4.2

per cent, its third-biggest point

speculated that more rate cuts

are imminent as the central

bank tries to keep global eco-

American economists also

For the second time in about

Across the board Thursday,

Daiwa Securities in Tokyo.

another.

gain in history.

"External problems may be

Wall Street, reports AP.

would achieve this rate of growth along with relatively modest inflation, a low current account deficit and balanced economic growth.

Our short-term debt is low, our reserves today are higher than last year and external markets are relatively orderly despite all the problems around us, he said.

This may give us some comfort but it cannot be an alibi for complacency.

Vaipayee was addressing the first meeting of the economic advisory council, whose creation he announced in August. India's coalition government, led by Vajpayee's Bharativa Janata Party, inherited an economy beset by sluggish growth in industry and ex-

ports when it took office seven

The US dollar against Japanese yen sinks to 115.90 yen in mid morning Friday. Following

the US federal Reserves' decision to cut short-term interest rates, the dollar fell sharply,

on Fed rate cut

nomic turmoil from dragging

the United States into a reces-

Hang Seng Index surged, leaping

669.95 points, or 7.5 per cent, to

ritory's banks would once

against follow the US lead and

Asian currencies

end mixed

currencies ended mixed today

against the US dollar, which

was steady despite a second US

interest rate in 15 days, dealers

lower at around 116.15 against

the dollar in Singapore from

regional trading lower at 1.6198

against the US dollar from

Thursday's closing of 1.6125

amid persistent fearts of a pos-

sible recession next year despite

The Indonesian rupiah

government attempts to cut

firmed to 8,325 against the

greenback from 8,675, the Thai

baht to 37.84 from 37.90, the

South Korean won to 1,323.5

from 1.334 and the Taiwan

dollar to 32.94 from 33.00.

The yen closed Asian trading

The Singapore dollar ended

SINGAPORE, Oct 16: Asian

9,640.37 at midday.

said, reports AFP.

115.75 in New York.

costs.

In Hong Kong, the blue-chip

Investors hoped that the ter-

Vajpayee reiterated his goals of securing 7-8 per cent annual growth in GDP over the next three years, achieving 12-13 per cent industry growth in the medium-term and reaching 12-15 per cent growth in exports in dollar terms.

He said he also wanted to ensure high levels of investment, both public and private, in the agricultural sector and give a boost to agro-processing indus-

"For achieving all these, clearly, long-term policy changes are necessary," he said. However, he said that in the short term there were other challenges such as reactivating growth impulses in industry, improving confidence levels and kick-starting the economy without generating further fis-

cal or inflationary pressures. Unless fiscal deficit is brought under control, macro management will continue to be difficult, he said.

Without such a step, there could be problems with balance of payments management and inflationary pressures and expectations, which risk bringing about a shrinking availability of credit for the commercial sector.

In donot think there is a magic number — an ideal figure of fiscal deficit, he said. But looking to India, there is in fact need to rain the fiscal deficit which appears unacceptably

Finance Minister Yashwant Sinha has said the fiscal deficit will not be allowed to cross 5.6 per cent of GDP in 1998-99.

Tk 27cr agri loan for farmers in Faridpur

FARIDPUR, Oct 16: The government under its post-flood rehabilitation programme has sanctioned Tk 27 crore to disburse among the flood-affected farmers in eight thanas of the districts, reports UNB.

Under the programmes Bangladesh Krishi Bank (BKB) through its 23 branches has so far disbursed Tk 3.1 crore among the farmers of the district.

Meanwhile, a day-long conference of BKB branch managers was held at the auditorium of River Research Institute Monday in order to expedite the loan disbursement process.

Camdessus believes China won't devalue its currency

PARIS, Oct 16, IMF Director General Michel Camdessus said here Thursday that he believed China would not devalue the

yuan "any time soon," says

The Chinese government wants to do nothing that might harm stability." Camdessus said at a meeting organised by Big gains for Asian stocks the French Banking Associa-

"They have made the wise choice of not devaluing," the head of the International Mon-

etary Fund said. Questioned about the scope of reforms of the banking system and state-owned firms in China, Camdessus said China was pressing ahead with these "with remarkable determina-

Inflation dips to 10pc in Philippine

MANILA, Oct 16: Consumer prices in the Philippines rose 10 per cent in September from a year earlier, down from 10.5 per cent the previous month, the government said Monday, reports AP. The inflation data was lower

than expected, with economists having forecast consumer prices in September rising 10.4 per cent. Inflation slowed for most

commodity groups, including food, clothing and housing. Prices of fuel and water, however, rose faster.

Inflation hit double digits in May for the first time in nearly two years, when it reached 10.3 per cent. Economists no longer expect

average inflation to breach the 10 per cent mark this year as the impact of a drought attributed to the El Nino weather phenomenon on agricultural production is declining.

Jakarta bourse plans new board for insolvent cos

JAKARTA, Oct 16: Saddled with companies regarded as "technically bankrupt," the Jakarta Stock Exchange (JSE) plans to set up a second-tier board by the end of the year for companies in dire financial

straits, reports AP. In an interview with Dow Jones Newswires this week, the exchange's president, Cyril Noerhadi said he wanted to segregate and differentiate good companies from those that need

Nike declares 25pc wage boost for Indonesian workers

BEAVERTON, Oregon, Oct 16: Nike Inc. responding to the Asian financial crisis and criticisms of its labour practices. has announced a 25 per cent minimum wage increase for its footwear factory workers in Indonesia, says AP.

The monthly, minimum rises to 250,000 rupiah - about 23 dollars from the previous government-mandated monthly minimum of 200,000 rupiah, or 18 dollars.

About 30 per cent of Nike's 70,000 contract workers in Indonesia are paid the minimum wage, Manager said,

massive restructuring.

He said the second board will help to restore investor confidence in the badly shattered Jakarta bourse, which has been increasingly shunned by international investors as Indonesia's struggles through its worst economic crisis in 30 years.

Investors would be able to choose from which board to buy into depending on their tolerance for risk, he said.

One major criticism the bourse has faced since Indonesia's economy was plunged into crisis in July 1997 is that it allows the trading of stock in companies with debts far in excess of assets. A large proportion of the

with hefty foreign exchange losses and massive interest expenses on their foreign currency loans, have failed to meet listing requirements but have yet to be de-listed. Cyril said the second board

listed companies, burdened

will theoretically give the financially crippled companies some breathing space to resuscitate themselves.

"The general characteristics of the companies (which will be) on the second board are that they are severely influenced by the current economic conditions and they have to implement restructuring programmes," Cyril said.

Weekly Currency Roundup

On Thursday, Bangladesh Bank, for the third time this year adjusted BDT downward against USD by 1.40 taka (about 3 per cent). The Central Bank's revised dollar buying and selling rates are 48.35 and 48.65 respectively with effect from 18th October,

Year end BB dollar buying and selling rate					
	1998 (to date)	1997	1996	1995	1994
Buy	48.35	45.30	42.35	40.65	40.15
Buy Sell	48.65	45.60	42.55	40.85	40.35

In the local forex market last week (October 11-15), demand for US dollar was steady. In the interbank market, dollars ranged between Tk 47.23 to 47.25 while in the kerb market, cash US dollar traded between BDT 47.60 and BDT 48.00. Last week, banks' midrate for cash dollar was BDT 47.125 and for traveler's cheque BDT 47.00.

In the local corporate segment demand for dollar against import L/C payments was low. Corporate bodies showed little interest in forward cover as they were not concerned about any immediate downward adjustment to taka against dollars. Newspaper reports and articles also reinforced the corporate bodies' belief that the downward adjustment to taka would be delayed. On Sunday, Bangladesh Bank accepted Treasury Bills worth

of Tk 3,420 million only for 28 days at an average rate of 8.44 per cent. On Monday, T-bills worth BDT 2,215 million matured and payment against Tk 3,420 million worth of T-bills was made. This low maturity and high payment created a hectic situation in the money market and the call rate shot up to the range of 10 to 11.5 per cent. The tight situation in the money market prevailed till Wednesday and the call money rate fluctuated between 9 and 11 per cent. The money market finally cased on Thursday and the rates settled down at between 7.5 and

The international markets were sluggish compared to last week's volatility. On Thursday, the Federal Reserve cut the dollar interest rate from 5.25 per cent to 5 per cent and the discount rate was adjusted from 5 to 4.75 per cent. Dollar's fell against major currencies after the rate cut. In the Asian trading this week the dollar traded at:

Closing Opening Pound sterling (GBP) 1.6985/95 1.7027/37 Deutsch Mark (DEM) 1.6390/93 1.6441/44 114.37/47 Yen (JPY) 116.15/25

During the week dollar fluctuated by around 0.31 per cent against Deutsche mark, 1.53 per cent against yen, and GBP was up 0.25 per cent against dollar. — StanChart Bank.



President of Honda Motor Co Hiroyuki Yoshino is seen handing over the Honda Crest to Amir Khosru Mahmud Chowdhury, MP, Chairman of DHS Motors Ltd, on the occasion of Honda's 50th Anniversary at a Tokyo Hotel.

Congress, White House budget deal gives IMF \$17.9b leave town. It is our hope that agreement calls for an interest that bill would now be sent to

- AP/UNB photo

reduce interest rates, too. And

that optimism was clearest in

property stocks, a sector that

led all others with a 12 per cent

hovering at levels not seen

since late May, and volume also

Times Index skyrocketed just as

fast. By midday, a buying frenzy

in Singapore had pushed the

index up 7.5 per cent, or 77.14

points, to 1.101.89, and ana-

lysts also credited the reduction

days of declines, the benchmark

Nikkei Stock Average of 225

issues gained 285.17 points, or

2.2 per cent, to close at

The success of key exporters

such as Sony, Honda and Fu-

jitsu has provided Japan one of

the few brights spots in its

economy, which is suffering its

worst recession since World

traders said the outlook of

Tokyo's bourse remains weak.

They said expected declines in

corporate earnings and skepti-

cism about new efforts by the

government to bail out troubled

banks have left investors pes-

Despite the stock surge,

In Tokyo, following three

The Hang Seng Index was

In Singapore, the Straits

increase.

13,280.54.

simistic.

was very heavy.

in US interest rates.

WASHINGTON, Oct 16: The International Monetary Fund will be getting the \$17.9 billion in long-delayed funds the US administration says are needed to help stave off a collapse of the world economy under a budget agreement between Congress and the White House, reports

But the deal includes Republican-demanded conditions aimed at pressuring the IMF to stop lending money at belowmarket interest rates, a practice that critics claim has led to too many high-risk investments.

Some recent IMF loans have been in the vicinity of 4.2 per cent. While the conditions would not be legally binding on the 182-nation lending organisation, the agreement includes an administration promise to push hard for changes that would push IMF interest rates up to about 7 per cent.

President Bill Clinton's administration also agreed to

seek a 30-month repayment ceiling on IMF loans and to demand that the fund's policymakers open their deliberations to more public scrutiny.

The IMF will no longer work in secret," said House Majority Leader Dick Armey, a Republican and a strong IMF critic who was one of the negotiators.

The Senate had passed the full \$17.9 billion, but the House had blocked all but \$3.4 billion of the request. The funds — now restored to the full requested amount are part of a catchall \$500 billion end-of-session budget agreement expected to be approved on Friday by Congress and signed by Clinton.

Administration officials said they believed they could get the infusion to the IMF quickly. The money would help the IMF replenish accounts strained by loans to Asia and Russia, and to meet future re-

quests. For most new loans, the

rate at least 3 percentage points above the IMF's cost of obtaining money, currently about 4 per cent. It also requires the IMF to make public summaries of its closed-door board meetings and other documents.

The Treasury secretary and the Federal Reserve chief would have to certify to Congress that other members of the Group of Seven industrial democracies - France, Germany, Canada, Japan, Britain and Italy - were doing their part in pressing for the reforms.

"We're very supportive of the conditions in this legislation." said an administration official who briefed reporters on the condition of anonymity. The official said the conditions would help "improve the efficiency of the IMF moving for-The administration and IMF

originally opposed the condi-

tions. Administration aides

noted that the demands for less secrecy and higher interest rates are reforms the IMF has been moving to on its own. Meanwhile, congressional

and administration negotiators failed to resolve another disputed international payment over nearly \$1 billion in back payments to the United Nations. However, congressional and

administration officials later said money in other international accounts could be used to keep the United States from a total default on its UN dues that could lead in the coming weeks to suspension of US voting rights in the General Assembly. The full arrears is contained

in a separate State Department spending bill that Clinton threatened to veto because of anti-abortion language added by the House. Republican leaders had delayed sending that bill to Clinton. But House Speaker Newt Gingrich said

him. Presumably, it will be ve-

at the end of the week as we

the president will agree to sign the bill. It has the money in it for the United Nations," Gin-"We will send that bill down grich said.

Budget highlights

UNDATED. sues in the \$500 billion spending measure for fiscal 1999 are: EDUCATION: Republicans acceded to President Bill Clinton's call for \$1.1 billion to reduce class sizes by hiring

100,000 teachers. **EMERGENCY SPENDING:** The two sides agreed to nearly \$20 billion for so-called emergencies. Half will be for extra defence spending, including intelligence and \$700 million for

anti-missile defense. AGRICULTURE: Part of the emergency package for farmers hurt by low crop prices. The agreed upon figure is nearly \$6 billion closer to the \$7 billion

Clinton demanded than to the \$4.2 billion in a bill he vetoed as inadequate. ANTI-DRUG: At Republican

urging, \$690 million in emergency spending will go to illegal drug interdiction. The total billion.

budget for fighting drugs is \$17 IMF: The International Monetary Fund will be funded at the president's request of \$17.9 billion. Republicans won

language to ensure that future

IMF loans will be open and effective. TAXES: Tax credits affecting business people, the self-employed and farmers worth dirs 9.2 billion were extended.

Flood won't affect China's cereal production

BEIJING, Oct 16: China's cereal harvest should stay at 1997 levels despite the major floods which hit the country this year, the agriculture ministry said, reports AFP.

The 1998 cereal harvest will be 492.5 million tonnes, about the same as in 1997, the ministry was quoted as saying by the official Xinhua news

agency. According to figures released in February, around 490 million tonnes were produced last

But in September, the government said the summer harvest would be down 11 per cent on last year because of the floods the official China Daily said the autumn harvest which produces three quarters of annual production, would be badly

The floods left 3,656 people dead, according to the last official toll, and covered 25 million hectares (60 million acres) of arable land, more than a quar-

ter of the total in China. Economic losses were estimated at 248.4 billion yuans (30 billion dollars).

Canadians feeling pinch of poverty?

MONTREAL, Oct 16: If Canadians are feeling poorer these days, it probably because they are, the Conference Board of Canada said Thursday, reports AFP.

After-tax income for Canadians has declined consistently for the past decade - largely because of low productivity - but things should get better soon, the board said in its annual report.

poorer than 10 years ago, as more productive countries, such as the United States, Japan, Germany, Australia, and Norway, continue to catch up and

pass us," said Board Vice Presi-

We are comparatively

dent Jim Frank. "We think we are at the turning point," Frank said, adding that "poor productivity growth continues to stand in the way of improving our standard of liv-

Canadians earn on average 78 per cent what Americans earn, compared to 86 per cent in 1989, the report says. In a recent poll, two out of three Canadians said they had difficulty making ends meet.

UK expects oil price to stay between 12-16 dollars

ABU DHABI, Oct 16: Britain's Minister of State for Energy and Industry, John Battle, said here Monday he expects oil prices to remain between 12 and 16 dollars a barrel for "some months; may be years, to come," reports AFP.

"We may have to learn to live for some time now with an oil price of between 12 and 16 dollars a barrel, going to be within that bracket for some months, maybe years, to come," he told a press conference. Battle, whose country is it-

self an oil producer, was speaking on the sidelines of a petroleum exhibition in the United Arab (UAE). He earlier met UAE Oil Minister Obeld Ibn Saif Al-Nasseri who is also OPEC's current

ibn Yussef, General Manager of the Abu Dhabi National Oil Co (ADNOC). "We are not going to rocket up to 25 dollars a barrel again in the very near future," said the

president, and Yusef Ibn Omeir

minister of state. "I don't think we will see the rapid oscillations of price that we have seen in the past," Battle said. Describing his oil price forecasts as "conservative and pessimistic."

Seminar on bank restructuring at **BIBM Thursday**

Star Business Report A seminar on restructuring

commercial banks in Bangladesh organised by the Bangladesh Institute of Bank Management (BIBM) will be held next Thursday at the institute's seminar hall, says a press release issued in city Thursday. Lutfar Rahman Sarkar, Gov-

ernor of Bangladesh Bank, will chair the seminar. Two papers will be presented - one by Dr. Toufic Ahmad Choudhury and Liakat Hossain Moral and the other by Abdul Jalil Chowdhury, BIBM faculty members. Muinul Islam, Director General of BIBM, will deliver the seminar's address of welcome.

and professor Wahiduddin Mahmud of Dhaka University, Mahbubur Rahman Khan, Managing Director of Sonali Bank, K I Khaled, Deputy Governor of Bangladesh Bank, Dr. Atiur Rahman, Senior BIDS Research Fellow, and Professor Baqui Khalily of Dhaka University will take part in the seminar as discussants. Eminent bankers, researchers and professionals will participate in the seminar.

Professor Muzaffer Ahmad