

Malaysia to hire another 120,000 workers

KUALA LUMPUR, Oct 20: Malaysia will bring in another 120,000 foreign workers...

Deputy Home Minister Tajol Rosli Ghazali said the need for additional foreign labour was due to increased construction...

He, however, praised the government for money devaluation, saying the bold decision of the government has elevated the image of the country.

The BGMEA president opined that the devaluation will not affect commonman, neither it will have any impact on inflation...

Previously illegal foreign workers were fined a minimum 3,000 ringgit (789 dollars) for overstaying...

PAL to resume int'l flights next week

MANILA, Oct 20: Debt-laden Philippine Airlines (PAL) said Tuesday it will resume limited international service...

The Philippine flag carrier resumed domestic flights on Oct 7 after shutting down over disagreements with its largest labour union...

PAL said it will begin twice-weekly flights on Oct 29 between Manila and Los Angeles, with stopovers in San Francisco...

The airline said it will also add more domestic flights this month.

PAL said it will initially use Airbus A340-300 aircraft on the US flight. A PAL official said the airline is wary of using its larger Boeing 747-400 planes...

Two of PAL's four Boeing 747-400 planes were earlier seized by authorities in Hong Kong and Los Angeles at the request of the US Export-Import Bank...

PAL, which has been unable to make payments on \$2.1 billion in debt, was devastated by a pilots' strike in June and by the region's currency crisis...

PAL, Asia's oldest airline, shut down operations on Sept 23 after a union representing ground personnel turned down a management-proposed recovery plan...

Nearly two weeks after the shutdown, workers agreed to accept the plan.

Two foreign carriers, Hong Kong's Cathay Pacific Airways and Northwest Airlines of the United States, are currently negotiating with PAL officials for a possible stake in the airline.

Philippine trade deficit narrows

MANILA, Oct 20: The Philippines' trade deficit narrowed 83.3 per cent to 1.29 billion dollars in the first eight months of the year...

The Russian economy has been in a free fall for the past two months, and a rash of statistics released Monday indicated that living standards have slipped even further than previously believed.

The exception to the import trend was electronics and components, many of which are used to assemble products for export.

The United States was the biggest source of imports in August with payments of 566.73 million dollars up 3.1 per cent from year-earlier month.

The government puts the poverty line at a meagre 552 rubles (\$32) a month.

Taka devaluation hailed

BGMEA blasts tax hike, imposition of surcharge

The BGMEA has praised the government for taka devaluation, but criticised enhancement of supplementary taxes and imposition of surcharge...

This is not the time to enhance tax, its president said and emphasised fixing taxes for a period of 10 or 20 years to enable the payers to maintain a specific plan.

He, however, praised the government for money devaluation, saying the bold decision of the government has elevated the image of the country.

The BGMEA president opined that the devaluation will not affect commonman, neither it will have any impact on inflation...

informal trade." For reserve of foreign exchange, he emphasised a national consensus to stop import of goods, except food, capital machinery and other essentials...

About success of the BATEXPO from October 16-19, he said there was spot order of 43.52 million US dollar which is five million dollars higher than that of previous BATEXPO.

There was also order of 3.12 million dollar from stocklots, the BGMEA president said. The BATEXPO may also bring more orders worth 350 million dollars in next three months.

The outlook for next year is bleak as Thai banks will have to increase provisions for non-performing loans under tighter

and manufacturers, he also said that the Prime Minister asked all concerned to take necessary steps.

He regretted that the extension of BATEXPO compelled a British trade delegation to cancel a seminar.

About success of the BATEXPO from October 16-19, he said there was spot order of 43.52 million US dollar which is five million dollars higher than that of previous BATEXPO.

There was also order of 3.12 million dollar from stocklots, the BGMEA president said. The BATEXPO may also bring more orders worth 350 million dollars in next three months.

According to him, a total of 103 foreign buyers came to the Bangladesh Apparel and Textile Exposition (BATEXPO). Besides 375 local representatives of different foreign buyers and buying houses visited the fair.

Thai banks may report massive losses

BANGKOK, Oct 20: Thailand's troubled banks are expected to report more massive losses this week when third quarter earnings are made public, analysts said on Tuesday...

Despite cutting costs by reducing interest rates on savings accounts, mounting non-performing loans and widening capital deficits will leave the country's 15 commercial banks in dire financial straits.

Andrew Maule, a banking analyst at ABN Amro, a Dutch firm, said that even Bangkok Bank, Thailand's largest and most stable financial institution, is expected to post losses as high as 10.6 billion baht (278 million dollars) for the third quarter.

Analysts say an average 500 basis-point reduction in deposit rates to 8 per cent or 9 per cent at the country's largest commercial lenders over the past two months won't show a positive effect on operating costs until the fourth quarter.

The outlook for next year is bleak as Thai banks will have to increase provisions for non-performing loans under tighter

central bank rules, forcing them to report even wider losses. With the economy expected to contract by 7 per cent this year, loan defaults will increase, they add.

Another report says, with Thai commercial banks reluctant to make loans, the Council of Economic Ministers wants state-run banks to start lending more money as a means of reviving economic growth...

Another report says, with Thai commercial banks reluctant to make loans, the Council of Economic Ministers wants state-run banks to start lending more money as a means of reviving economic growth...

Thailand's economic crisis has had a devastating effect on the country's banking system. As businesses fail or hit hard times, they have been unable to repay loans to commercial banks.

Non-performing loans have been estimated as high as 40 per cent of commercial banks' loan portfolios.

Asian stock markets close higher

HONG KONG, Oct 20: Asian stock markets closed generally higher Monday, with the key index in Kuala Lumpur soaring nearly seven per cent on local institutional buying ahead of the unveiling of Malaysia's budget later this week...

Malaysian Prime Minister Mahathir Mohamad is to present the 1999 federal budget in Parliament on Friday.

Mahathir, who is also finance minister, has said Malaysia will introduce new taxes in the budget, but will also bring in new fiscal stimulus measures to boost the country's economy.

He said the government had projected economic growth of 1.0 per cent in 1999, compared with a forecast of 4.8 per cent contraction this year.

The Kuala Lumpur Stock Exchange's Composite Index, which tracks prices of 100 key stocks, rose 26.71 points, or 6.7 per cent, closing at 422.97.

Thailand's shares also surged, with the key index gaining 5.5 per cent as local investors bought banking and financial stocks ahead of third-quarter results due later this week, dealers said.

The Stock Exchange of Thailand Index rose 17.19 points to 331.36.

In Tokyo, share prices closed higher for the third straight session.

The Nikkei Stock Average of 225 selected issues rose 240.85 points, or 1.78 per cent, closing at 13,808.05 - its highest level since Oct 7. On Monday, the Nikkei had gained 286.66 points, or 2.16 per cent.

Government funds snapped up shares ahead of the listing of NTT Mobile Communications Network Inc., or NTT DoCoMo, causing a late surge after the Nikkei had hovered above Monday's closing level for most

of the session.

An overnight gain on Wall Street also encouraged investors in Tokyo.

South Korea shares also closed sharply higher as worries eased over the takeover of ailing Kia Motors Corp by Hyundai Motor Co.

Investors were worried earlier that the takeover would put heavy financial strain on the Hyundai group.

The Seoul Stock Exchange's Korea Composite Stock Price Index rose 14.38 points, or 3.8 per cent, to 388.35.

Elsewhere, HONG KONG: Share price closed higher, boosted by hefty gains in Tokyo and expectations of further cuts in local interest rates.

The Hang Seng Index rose 43.70 points, or 0.5 per cent, closing at 9,642.75.

TAIPEI: Share prices closed lower on lingering concerns over companies' third-quarter earnings. The market's key Weighted Stock Price Index fell 55.84 points, or 0.8 per cent, to 6,848.72.

WELLINGTON: New Zealand share prices closed higher. The benchmark NZSE 40 Capital Index rose 17.57 points, or 0.9 per cent, to 1,804.55.

MANILA: Philippine shares closed lower on profit-taking. The 30-share Philippine Stock Exchange Index fell 21.66, or 1.5 per cent, to 1,467.69.

SYDNEY: Australian share prices closed broadly steady. The All Ordinaries Index rose 1.1 points to 2,516.9.

SINGAPORE: Share prices closed mixed, with the key index falling on profit-taking in some blue-chip stocks.

The Straits Times Index fell 10.85 points, or 1 per cent, to 1,108.75.

JAKARTA: Share prices closed slightly higher. The Composite Index edged up 0.158 point to 336.578.



Malaysian Prime Minister Mahathir Mohamad (L) speaks at an economic symposium in Tokyo Tuesday. In mid of economic woe, Mahathir discussed about how to get out of the economic crisis in Asia. Sitting at centre is Noboru Hatakeyama, Chairman of Japan External Trade Organization, and at right, Eisuke Sakakibara, Vice Finance Minister.

Financial catastrophe possible, but avoidable: IMF chief

PARIS, Oct 20: International Monetary Fund (IMF) Managing Director Michel Camdessus said yesterday that a global financial catastrophe could be on the cards if world credit dries up and that the fund was considering improving access to money for countries in difficulty...

Speaking to France's Europe 1 radio station, the IMF chief said such a "catastrophe isn't excluded but can be avoided."

Nevertheless, Camdessus said IMF forecasts of growth next year of "slightly above two per cent" for the world and 2.5 per cent for Europe were being maintained.

But, he added, the recent Federal Reserve-led rescue of the US hedge fund long term capital management had been an "extremely hard blow" for financial institutions.

This case creates a risk of diminished private financing in all the emerging countries," including Brazil, he said.

If credit is interrupted at the beginning of next year, "something will have to be done" to find public capital, he said.

He added: "We're in a liquidity crisis and the hopes of seeing a 1999 better than 1998 are crumbling, unless the international community gives itself the means to step in place of the banks."

The fund's current resources allow it in times of crisis to put forward around 110 billion dollars, he said... to respond to the demands, it would be necessary to "probably at least double" that sum.

Two options presented themselves, he said: either a dependency on national budgets and thus the taxpayers, or the IMF's reserve fund, the special drawing rights, put up by industrialised nations.

Camdessus added that the fund was presently looking at a new issue of Special Drawing Rights (SDR) to head off the global credit crisis.

Camdessus said under the idea to industrialised countries would put surplus central bank reserves at the fund's disposal so it could lend them to countries in difficulty.

Recourse to the SDR could be topped up with central bank reserves, Camdessus suggested, then lent out to countries in dire need which would in return promise to get their economies in shape.

The IMF's board was likely to make a decision on the idea "in the coming month," Camdessus said.

Tobacco takes 3.5m lives a year

GENEVA, Oct 20: The World Health Organisation (WHO) on Monday set the scene for a co-ordinated international fight against tobacco by arguing that global marketing of the addictive product required a global riposte, says AFP.

WHO Director General Gro Harlem Brundtland, who has made the campaign against tobacco one of her priorities since taking up the post three months ago, said her organisation's full strategy will be outlined during a seminar.

"Globalization of marketing and trade in tobacco products means that all countries need to take strong action individually and together if their populations are to become tobacco-free in the long term," she said here.

Around 3.5 million people are killed every year and that number will triple in 20 years if nothing is done, Brundtland added.

According to WHO, 70 per cent of those future victims will be from the developing world and half of them will be struck down in their prime. China alone will see two million deaths a year.

Speaking on the planned "tobacco-free initiative" to be launched, Brundtland said: "who will seek to build an international consensus around responsibilities with regard to tobacco."

Ironically, or perhaps pointedly on Brundtland's behalf, the WHO chief's comments came the same day cigarette company representatives met behind closed doors in Geneva for a week-long conference.

Geneva's authorities also put on a special welcome for the representatives, flooding public places and the press with an advertising campaign warning of the health dangers of smoking.



R Maksud Khan, President of the Dhaka Chamber of Commerce & Industry, addresses a meeting between the members of the DCCI and visiting British trade delegation led by Peter Lee (2nd-R), Managing Director of Mott MacDonald International Ltd. at the chamber auditorium yesterday. DCCI Vice-President Zafar Osman (R) and British Deputy High Commissioner M R McIntosh are also seen.

44m Russians live below poverty line

MOSCOW, Oct 20: More than 44 million Russians, or 30 per cent of the entire country, now live below the poverty line and the economic crisis appears likely to push the numbers even higher, according to government figures released Monday, reports AP.

The Russian economy has been in a free fall for the past two months, and a rash of statistics released Monday indicated that living standards have slipped even further than previously believed.

Perhaps the most telling figure was the increase in poverty. The number of Russians living in poverty has risen to 44.3 million, up from 31 million last year, the State Statistics Committee said.

There was at least one piece of good news Monday - tax collections appear to be rising this month after falling in the aftermath of the crisis, tax chief Georgy Boos said.

The government has been unable to meet its tax collection goals for years, and the economic turmoil has crippled Russia's banking system and made matters worse.

The government collected 12 billion rubles (\$700 million) in taxes in August, but only 9.3 billion rubles (\$544 million) last month. Tax collection is picking up this month, Boos said, without giving any figures.

The new government has said it wants to streamline the country's unwieldy tax system and lower some taxes to encourage more people to pay.

But in its quest for more money, the government is showing an inclination to introduce new taxes and raise existing ones.

Boos said Monday that the government plans to introduce a 10 per cent sales tax on some categories of goods, which he didn't specify. The government

has previously allowed regional authorities to independently impose sales taxes of up to five per cent.

Critics of new taxes say rates are already too high for the ailing economy and only encourage widespread tax-dodging.

Experts from the International Monetary Fund, meanwhile, were due to arrive in Moscow on Monday to continue negotiations on the next disbursement of a \$22.6 billion loan frozen when the crisis hit, the ITAR-Tass news agency quoted IMF director Michel Camdessus as saying in Paris.

Unpaid wages bill reaches \$5.16b

An AFP reports says the Russian government's total unpaid wages bill to its state workers reached 88.1 billion rubles (5.16 billion dollars) as at October 1. Itar-Tass reported

working on an economic programme to combat the crisis, but it has few resources to work with and the numbers are looking worse by the month.

Russia's gross domestic product was down a startling 9.9 per cent in September compared to a year ago, the statistics committee said. Officials had recently predicted that the GDP would only drop about 5 per cent for the year, but it now appears the fall will be much steeper.

Meanwhile, the Russian currency tumbled again on Monday, dropping to 17.1 roubles to the dollar, down from 15.5 roubles on Friday. The rouble was at about six to the dollar before it collapsed in August.

There was at least one piece of good news Monday - tax collections appear to be rising this month after falling in the aftermath of the crisis, tax chief Georgy Boos said.

September's arrears represented a 4.8 per cent increase over those of August, according to the State Statistics Committee.

The backlog in salaries has become one of the gravest problems facing Russia in its present financial crisis. The situation has been exacerbated by a 60 per cent devaluation of the rouble since August and a sudden return to high inflation which in September alone was 40 per cent.

Two weeks ago, hundreds of thousands of Russians took to the streets across the country to call for payment of wages and pensions, which in some cases have been unsighted for a year.

This in turn has put the government under tremendous pressure to print money, thus fuelling fears of increased inflation.

Exchange Rates

Table with columns: Currency, Selling TT & OD, Buying TT Clean, Selling BC, Buying OD Sight, Buying TT & OD. Includes rates for USD, GBP, DEM, JPY, FRF, SAR, MYR, AED, KWD, QAR, SFR, CAD, ITL, AUD, BFF, HKD, SGD.

Table titled 'Bill buying rates' with columns: TT Doc, 30 Days, 60 Days, 90 Days, 120 Days, 180 Days. Includes rates for USD, DEM, GBP.

Table titled 'Exchange rates of some Asian currencies against US dollars' with columns: Indian Rupee, Pak Rupee, Thai Baht, Malaysian Ringgit, Indonesian Rupiah, Korean Won. Includes rates for various currencies.

Amex notes on Tuesday's market USD/BDT market was moderately active on Tuesday. USD/BDT traded within range of 48.6000-48.6300.

The US dollar gained against the yen by mid-day Tokyo trade on Tuesday. The greenback was supported by firm commercial buying and short-covering, but it was off from a morning high amid persistent sales possibly from fund operators.

The German currency moved in a tight range throughout the morning trade as many operators were unwilling to take fresh positions in mark, ahead of Thursday's Bundesbank central council meeting, though the market was not expecting a change in monetary policy by the Bund.

The dollar's tone was firm in morning Europe on Tuesday though it was off its earlier highs. Mark analysts saw little scope for German rate cut at this week's Buba meeting. Sterling was slightly firmer against the mark and dollar on better than expected September UK data.

The Indian rupee ended a shade firmer against the dollar on Tuesday in thin trade with market in a festive mood amid a series of holidays this week. The rupee closed at 42.28/295 per dollar against the Friday's close of 42.32/33 and today's open at 42.30/32.

At 1900 local time in the International market the USD traded at 1.6318/6323 DEM, 117.24/117.34 JPY, 5.4729/4739 FRF, 1.3295/3305 CHF, and GBP at 1.7082/7088 USD.

Shipping Intelligence

Table with columns: Berth, Name of vessels, Cargo, L port call, Local agent, Date of arrival, Leaving. Includes various shipping schedules.

Table titled 'Tanker due' with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival. Includes vessels like Seabulk Command, Bunga Orkid Satu, Romina-G, Banglar Shourabh.

Table titled 'Vessels at Kutubdia' with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival. Includes vessels like Seabulk Command, Bunga Orkid Satu, Romina-G, Banglar Shourabh.

Table titled 'Vessels at outer anchorage' with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival. Includes vessels like Alpha Bravery, Prosrich(Cont), Banglar Asha, Millentium Majestic, San Mateo 5/10, Marine Kingdom 21/10, Kota Cahaya, Delience Cont.

Table titled 'Vessels awaiting instruction' with columns: Name of vessels, Cargo, Last port call, Local agent, Date of arrival. Includes vessels like Karya Sentosa, Rong Jiang.

Table titled 'Movement of vessels for 21.10.98' with columns: Outgoing, Incoming, Shifting. Includes vessels like J/1, J/5, RM/3, DOJ, J/10, RM/8, J/4.

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