Fish worth over Tk 3cr lost in floods in Sylhet

SYLHET, Oct 24: Fish resources worth over Tk 3.08 crore were lost in the worst ever flood in the district, reports UNB.

Local Fishery Office sources said, fishes of 5,900 private ponds and lakes in 98 unions of all the 11 thanas were affected by the natural calamity. Besides, fish fry worth about Tk 18 lakh 29,000 were also damaged.

The sources said, 1,844 fishermen families have been affected. Mentionable that there are 49,350 ponds and lakes, two public fish farms and 678 waterbodies in the district. Every year, 57,151 mts of fish are generally produced.

A large number of people who are involved in fish culture and trade have been deeply frustrated on account of the losses caused by the deluge.

S'pore, UK to expand joint investment in China

SINGAPORE, Oct 24: Singapore and British companies are looking expanding their joint investment in China, British Trade Minister Brian Wilson said Friday, reports AP.

"Partnership with companies in Singapore can ease political and cultural access" to business opportunities in China, he said. "That is the concept that has been developing recently and has great potential for both our countries."

Singapore's 3.1 million people are predominantly ethnic Chinese.

Wilson met with several Singapore ministers and businessmen since his arrival Thursday from the Philippines, the other destination of his Asian trip.

Wilson, who is promoting British investment in Asia, is travelling with nine officials from British power companies National Power, Powergen, National Grid, ALSTOM, AMEC, Balfour Beatty, British Gas, Rolls Royce and Cinergy.

Wilson emphasised the need for Southeast Asian governments to adhere to the principles of free trade regardless of the severe economic crisis in the region.

"My general message is that the way to overcome the economic problems of the region and in the world is to continue trading, continue investing under all circumstances," Wilson said.

He said it was vital "to ensure that the liberalisation of trade continues, and that there is no retreat into protectionism in this difficult situation."

Singapore's economy has withstood economic problems better than any other country in the region, Wilson said, praising its "sound banking sector" and strong fundamentals.

He added Singapore should be playing a leading role in the regional recovery.

Addressing British Chamber of Commerce earlier Friday, Wilson said that "recent investment by British companies in Singapore confirm their faith in this country and the region."

S'pore ministers to feel pinch of salary cut

SINGAPORE, Oct 24: Singapore's highly-paid leaders will have their salaries cut when an influential council makes recommendations next month, a newspaper reported Saturday, reports AP.

The National Wages Council, a tripartite body representing government, unions and employers, is expected to urge across-the-board pay cuts when its guidelines are released in November, said The Straits Times.

Dominated by the government, the council's recommendations are widely adopted in tightly controlled Singapore.

But government ministers, whose salaries are equivalent to those of corporate leaders, will also feel the pinch.

"Ministers will naturally take a salary cut if the (council) recommends a salary cut for everybody," Manpower Minister Lee Boon Yang was quoted as saying.

He noted that Singapore leaders have in effect already experienced a pay cut this year, when a planned mid-year raise of 8.1 per cent was suspended by the government.

Singapore has been searching for ways to reduce the cost of doing business here as a solution to its slowing economy, and a package including lower taxes, utilities, rentals and wages is expected soon.

Workers and unions in Singapore have expressed concerns over bearing the burden of these measures. A likely cut in the country's mandatory, state-run pension fund — from which many Singaporeans pay their mortgages — has worried some here.

"The measures that the government will take has got to be equitable," Lee was quoted as saying in the report. "We're not just asking workers to bear the burden of cost reduction. The government will also make adjustments."

On rising unemployment, he estimated the rate will grow to between 4 and 5 per cent by year's end, roughly double the 2.3 per cent figure in June.

"There's a likelihood that we will go into a recession, yes, but the unemployment rate would depend on how deep the recession is and how willing Singaporeans are ... to take on alternative jobs or jobs that were done by foreign workers," Lee added.

Global financial crisis to slow EU growth next year

BRUSSELS, Oct : The European Union economy will expand slower than expected next year because of the world financial turmoil, but growth will remain robust this year and recover in 2000, according to an EU forecast Wednesday, reports AP.

The EU said the economy of the 15-nation bloc would expand 2.4 per cent next year, down from the 3 per cent predicted in the union's last economic forecast released in March.

"In 1999, the international crisis will take a toll, albeit limited," the EU said in a statement. Assuming trade and economic growth increase in 2000, the EU predicts an increase in its economic expansion.

The EU economy will remain sheltered from the worst of the international turbulence this year, and grow 2.9 per cent, the highest rate this decade, the EU said.

Assuming the world economy bounces back in 2000, the EU said its economic growth should recover to 2.8 per cent.

"The overall picture is favourable. Economic growth in the EU is expected to remain strong over the period 1998-2000, driven essentially by internal consumption and investment," the report said.

The forecast showed Europe's stubbornly high unemployment rate falling slightly faster than predicted in March. The jobless rate is forecast at 9.5 per cent next year, dipping below 10 per cent for the first time in the 1990s.

Despite the slowdown seen next year, the report from the EU's executive body, the European Commission, remained upbeat.

"The main message is that the EU economy is sound, although not isolated from the effects of economic instability in other parts of the world, particularly Asia and Russia," the Commission said.

Tough budgetary policies imposed in recent years to prepare for the launch next Jan. 1 of the euro as the common currency of 11 EU nations helped protect the bloc from international economic woes.

"The euro zone forms an island of stability."

However the glitch seen next year is likely to increase calls for European nations to boost their economies by increasing investment or cutting interest rates. EU leaders are expected to discuss their response to the global turmoil at a summit this weekend in the Austrian lakeside resort of Poertschach.

The EU report pointed out that interest rates were already at record low levels, and that inflation, at 1.6 per cent this year and predicted at 1.7 per cent in 1999, is "historically low."

Among the 11 nations that plan to switch to the euro on New Year's Day, growth is seen at 3 per cent this year slowing to 2.6 per cent in 1999.

In Germany, the EU's largest economy, growth is expected to peak at 2.8 per cent this year then dip to 2.2 per cent in 1999 and 2.6 per cent in 2000.

Ireland is set to remain the EU's fastest-expanding economy with growth at 11.4 per cent this year, almost fourtimes the EU average, and slowing to 8.2 per cent next year.

The Albert Memorial is unveiled by Queen Elizabeth II in London's Hyde Park Wednesday after undergoing renovation. The renovation cost some 11.2 million pounds (18 million US dlrs) and took four years to complete, with the centrepiece a gilded statue of Queen Victoria's husband Prince Albert. The Albert Memorial was completed in 1872, following Albert's death from typhoid in 1861 aged 42.

— AP/UNB photo

Arab Bangladesh Bank Limited has opened a power bill collection booth at the Narayanganj DESA office for the benefit of the clients of DESA in the area. The booth was inaugurated by the Member of DESA (Finance) Syed Enamul Haq. Among others, Deputy Managing Director of AB Bank M A Awal was present on the occasion. — AB Bank photo

ROK urges expanded trade ties with Saudi Arabia

SEOUL, Oct 24: South Korea urged visiting Saudi Crown Prince Abdullah on Saturday to help it overcome an economic crisis by buying more Korean-made goods and awarding contracts for public projects to Korean businesses, reports AP.

President Kim said he hopes Saudi Arabia will use South Korean equipment and manpower as part of its efforts to diversify the Saudi economy into non-oil areas.

"I believe Saudi Arabia could give us another opportunity," President Kim Dae-jung said at a luncheon to honor the Saudi prince.

Abdullah arrived in South Korea on Friday after having visited China and Japan. From Seoul, he will fly to Pakistan on Sunday.

He is the highest ranking Saudi official ever to visit South Korea.

Since Saudi King Fahd suffered a stroke in 1995, Abdullah has been running the country's day-to-day affairs.

Asian stock markets close mixed

TOKYO, Oct 24: Asian stock markets closed mixed Friday as cautious investors locked in profits ahead of the weekend and waited for signals from Wall Street, dealers said, reports AFP.

Gains or losses on regional bourses were limited, with investors searching for direction in the absence of concrete leads.

Tokyo's Nikkei slipped back 1.1 per cent but Hong Kong's Hang Seng gained 1.6 per cent.

Tokyo stocks fell in profit-taking after a five-day winning streak leading up to the listing of the world's biggest mobile telephone operator NTT Docomo Thursday, brokers said.

"Gains were eroded by profit taking, as well as the unwinding of cross shareholdings," Dai-Ichi Securities strategist Mitsuru Nagano said, adding that selling pressure was strong above 14,000 points on the Nikkei index.

The Nikkei average of 225 leading issues on the Tokyo Stock Exchange fell 150.86 points to finish at 14,144.70 after a 1,300-point advance in the past five days.

The topix index of all issues on the first section was down 6.14 points at 1,068.15, turnover on the major board totalled and estimated 468 million shares against the previous day's 868.53 million shares.

HONG KONG: Hong Kong share prices rose 1.6 per cent on late selective bargain hunting to hit a five-month high on expectations of a further easing of interest rates, dealers said.

The market opened weakly with the key barometer losing 117.31 points by the end of the morning session as there were no fresh incentives to spur buying, but rebounded in the afternoon on interest-rate hopes, dealers said.

SINGAPORE: Singapore share prices fell 0.3 per cent, coming off sharply from earlier losses due to profit-taking.

The Straits Times index closed 3.91 points lower to 1,113.59, while the broader All-Singapore Index shed 0.12 points to end at 326.80.

KUALA LUMPUR: Malaysian share prices closed 0.2 per cent lower on profit-taking, Prime Minister Mahathir Mohamad unveiled an expansionary 1999 federal budget, dealers said.

The Kuala Lumpur Stock Exchange's 100-share composite index fell 1.84 points to end at 419.72.

JAKARTA: Indonesian shares closed 1.1 per cent lower with late trade in selected large caps softening the fall due to profit taking, dealers said.

The Jakarta Stock Exchange Composite Index ended down 3,380 points at 313,415 with 169.1 million shares worth 223.3 billion rupiah (28.1 million dollars) traded.

SEOUL: Share prices edged down 1.0 per cent on the Korea Stock Exchange, with the fall cushioned by renewed interest in SK Telecom and Posco on rumours the two may get an infusion of new offshore funds.

The composite index closed down 3.69 points at 378.83, off a low of 374.14.

TAIPEI: Taiwan share prices gained one per cent, driven by liquidity support provided by rate cuts here, dealers said.

The Taiwan stock exchange weighted price index rose 67.67 points to 7,055.46, following a 0.5 per cent decline in the previous session.

Metal: Weekly roundup

Prices suffer from poor demand

LONDON, Oct 24: Most commodities continued to suffer from low demand this week, as the world's economic slowdown and fears of reduced growth in the months ahead dogged investor interest, reports AFP.

Even gold which had risen in recent sessions during weeks of extreme volatility on stock markets around the world, lost its shine as a safe haven.

Modest gains on Wall Street and other global markets undermined gold's resurrection, as investors returned to equities, and the yellow metal again dived below the 300-dollar threshold.

Traders eyed plentiful supplies on markets around the world and sold metal contracts.

Oil too was expected to see reduced demand, prompting predictions by the Centre for Global Energy Studies (CGES) that a rise in crude prices above 14 dollars per barrel is unlikely in the medium term.

GOLD: Tarnished. Gold prices slumped back below the 300-dollar mark this week, as the metal's safe-haven status won back during recent stock market volatility receded, analysts said.

On the London bullion market, prices fell by 7.3 dollars to 293.45 dollars per ounce.

Investors sold gold as relative calm returned to global equities markets, after a string of modest gains on Wall Street.

A rally in the value of the dollar also hit prices of the yellow metal as a stronger dollar makes contracts relatively more expensive to international buyers.

ALUMINIUM: Flat. Three-month aluminium closed at 1,325 dollars a tonne, down 26.3 as the commodity continued to suffer from the bleak economic outlook, especially in the crucial Asian market.

Canada's Alcan, the second largest aluminium group, said this week that it now was altering its estimates for supply and demand this year to reflect stronger than expected demand in Europe and the US but also a sharper drop off in Japan than had been predicted.

NICKEL: Shiny. Three-month nickel closed at 4,035 dollars a tonne, up 187.5 dollars, rallying early in the week on news that French producer Eramet is to extend production cuts next year.

However, nickel is not escaping the general base metal slump. Rudolf Wolff Brokerage said that three-month nickel is expected to fall from 4,934 dollars a tonne to 4,100 dollars.

LEAD: Flat. Three-month lead closed at 501 dollars a tonne, up 1.5 dollars.

A report by the international lead and zinc study group forecast that there will be a small surplus of lead supply next year.

ZINC: Unwanted. Three-month zinc closed at 954.5 dollars a tonne, down 1.25 dollars.

Rudolf Brokerage predicted that average three-month zinc prices will fall from 1,071 dollars a tonne to 960 dollars a tonne.

Stephen Sliwa, president of Colt Manufacturing Co, holds a prototype of the company's "smart gun" at the Colt's plant in West Hartford, Conn. Friday. The small transponder Sliwa holds in his right hand communicates with a small radio transmitter within the gun to operate the trigger. The weapons are designed to be used only by the people who buy them. Sliwa says that production is still at least two years away. — AP/UNB photo

Russian economic sickness infects far-flung areas

MOSCOW, Oct 24: Moscow's economic sickness has infected Russia's far-flung regions, more than half of which have defaulted on domestic loans, a newspaper said Saturday, reports AP.

Russia's securities market had boomed in recent years, but the country began suffering from Asia's economic troubles and admitted Aug 17 that it couldn't pay off its treasury bill obligations. Investors fled and markets collapsed.

Seventy-one of Russia's 89 regions had joined in the securities excitement, issuing 20 billion roubles in domestic bonds. Fifty regions have already missed payments on some or all of them, the English-language Moscow Times reported Saturday.

Most of the bonds are held by Russian banks and brokerages.

Many of the federal government's treasury bills, however, are held by foreign banks, which have been holding talks with Russian officials in London on restructuring the debt. Negotiations broke down this week but may resume next week.

Russia's third-largest city, Nizhny Novgorod, may become the first entity to default on Eurobonds, according to rating agencies. While the city has met its obligations so far, it may not be able to meet its next payment of $4.4 million due in April, the Moscow Times said.

Also Saturday, Prime Minister Yevgeny Primakov said his team would finalise its plan next week for tackling the country's two-month-old economic crisis, its worst since the 1991 Soviet collapse.

The programme includes establishment of a State Bank for Reconstruction and Development to oversee the beleaguered banking sector, and calls for Russia's first complete inventory of its foreign debt, including that leftover from the Soviet Union, the daily Kommersant reported Saturday.

The government has sent mixed signals about such a programme for weeks, first setting a date for its release then saying it would not come up with an overall plan but concentrate instead on short-term measures.

The International Monetary Fund is demanding to see the plan and proof it's being put to use before releasing the next trance of a $22.6 billion bailout promised this summer.

Pakistan lowers cotton output estimates

KARACHI, Oct 24: Pakistan has reduced its cotton production estimates to 10.2 million bales this year from 10.6 bales projected earlier, officials said yesterday, says AFP.

A senior official at the Central Cotton Research Institute in the main cotton-growing area of Multan said the crop was affected by untimely rains and and attacks.

He said a crop monitoring committee which met at the institute Thursday lowered its earlier estimates of 10.6 million bales to 10.2 million bales (375 pounds in a bale).

Ctg Stock Exchange

Losers heavily outnumber gainers

CHITTAGONG, Oct 24: The week's trading at the Chittagong Stock Exchange began today with losers heavily outnumbering gainers, reports APB.

However, turnover in terms of both value and volume rose compared to that of on Thursday.

The CSE All Ordinaries Price Index shed 1.07 points or 0.42 per cent to close at 255.66, from Thursday's 256.73 points.

A total of 7,524,375 shares and debentures valued at Tk 174.63 million were traded against 4.48 million shares worth Tk 119.10 that changed hands on the previous trading day.

Some 52 issues were traded. Of these 10 posted gains, 41 went down and one remained unchanged.

Market capitalisation stood at Tk 45.29 billion.

Islami Bank disburses Tk 10.54cr under RDS

Star Business Report

Islami Bank Bangladesh Limited disbursed Tk 10.54 crore under its Rural Development Scheme as on September 30, 1998 against Tk 4.8 crore of the corresponding period last year, registering a growth rate of 134.58 per cent, says a press release of the bank.

The programme is being conducted in 148 villages through 45 branches of the bank in 33 districts.

Under this scheme the number of clients are about 8 thousand and the investment recovery rate is about 100 per cent.

The Rural Development Scheme of the bank was inaugurated on 31st July 1995.

The scheme has been introduced with a view to reactivating the rural economy, developing model villages and making Bangladesh a self-reliant country through integrated area development approach.

The objectives of the scheme are: To alleviate poverty and to create income-generating, productive employment and self-employment opportunities in rural areas. Investment facilities are being allowed for the purpose of production of 21 types of main crops and 343 kinds of off-farming activities. This scheme is being implemented with a view to transforming villages into ideal ones within a radius of 10 km of the branches of the bank.

Laid-off Chinese miners not compensated

BEIJING, Oct 24: Some 200,000 or nearly half of all Chinese miners laid of since the start of the year have not been paid unemployment benefits by their employers, a report said yesterday, reports AFP.

The leading state mines laid off some 442,000 miners in the first nine months of the year but "they could only pay subsidies to 58 per cent of them," the officials Xinhua news agency said.

Coal mining is a strategic industry in China as the fossil fuel accounts for 80 per cent of energy and contributes to the country's status as the leading global producer with 1.4 billion tonnes mined each year.

As part of efforts to make the sector profitable, some 870,000 miners were laid off between 1993 and 1997 and a million others out of a total five million were expected to lose their jobs by 2000.

According to Xinhua, China's coal producing sector fell into the red in the first nine months of the year, chalking up a 3.75 billion dollars (450 million dollars) loss.

Last year, the sector was profitable, earning a net profit of 200 million yuan, after 13 years of losses.

"The poor performance of the industry has to do with slowed national growth, structural adjustments and the Asian financial crisis," Xinhua said.

UN chief calls for global solution to economic crisis

SEOUL, Oct 24: In a message marking United Nations Day, UN Secretary General Kofi Annan urged the world Saturday to work together to help those in developing nations who have been hit hard by the global economic crisis, says AP.

"Millions still live poor and isolated lives. Millions more have found their lives disrupted, even destroyed, by global economic forces they do not understand and can not control," Annan said.

The UN chief called for multilateral answers to these global problems and said "the weak and the vulnerable must have their say" in coming up with remedies.

Annan was on a three-day visit to Seoul, his first trip to South Korea since taking office in January last year. On Friday, he received the dlrs 200,000 Seoul Peace Prize, a biennial award set up in 1990 to commemorate the 1988 Seoul Olympics.

Annan dedicated his prize to the 1,500 people killed in UN peacekeeping operations and donated the award money to a UN trust fund for preventing armed conflicts around the world.

On Saturday, he received an honorary doctoral degree from Seoul's Kyung Hee University.

India may allow foreigners in insurance sector soon

by Paranjoy Guha Thakurta

NEW DELHI, Oct 24: Will India open the last segment of the country's financial sector which remains barred to foreigners, namely, the insurance business?

The answer to this question is expected after a meeting of the federal cabinet in the coming weeks. Last night a high-powered group of officials, led by Prime Minister Atal Behari Vajpayee's confidante Jaswant Singh who is also Deputy Chairman of the Planning Commission, arrived at a "unanimous" decision on critical issues concerning the insurance industry. Singh however refused to disclose what the decision was. The issues are: 1, whether foreign firms could hold up to 26 per cent of the equity capital of insurance companies, 2, whether the combined holdings of foreign institutional investors, non-resident Indians and overseas corporate bodies in such companies could exceed 40 per cent.

While newspapers speculated that the group had favoured such "caps" on overseas holdings of private Indian insurance concerns, there has been no official confirmation of the decision. Yesterday, before the meeting of the ministerial group had taken place, Finance Minister Yashwant Sinha told a seminar on infrastructure that new legislation would be introduced in the coming (winter) session of Parliament in late-November to set up and empower a statutory insurance regulatory authority (IRA) which would oversee the removal of the government's monopoly on this business.

What is not clear is whether the cabinet would allow the "ceiling" on total foreign holdings in Indian insurance companies to remain 40 per cent or whether it would be raised to 66 per cent. Analysts are of the view that the final "cap" on foreign equity decided by the cabinet would be the lower figure of 40 per cent. This would, to an extent, help the Bharatiya Janata Party-led 16-party coalition government deflect the criticism levelled against it, namely, that it was "pandering" to foreign investors.

A section within the government is clearly of the view that a "positive signal" should be sent to foreign investors and that allowing foreign investment in this industry would help India mobilise much-needed, long-term funds for infrastructure projects. The snag is that some of the government's sympathisers and fellow-travellers, notably, representatives of the Hindu-nationalist organisation, the Swadesh Jagran Manch -- which loosely translated means Forum for Awakening Economic Nationalism -- who are dead-opposed to multinational corporations entering this field.

The Indian government had nationalised the life insurance business in 1956 and the general insurance business in 1972. Foreign firms were allowed to operate in very restricted areas like shipping reinsurance. The proposed IRA Bill is aimed at not merely allowing the authority to issue licences to new players from the private corporate sector and lay down stringent guidelines for them but also facilitate introduction of bills to amend the Acts of Parliament which govern the working of two giant, monolithic, state-owned organisations.

These are the Life Insurance Corporation (LIC), which has an annual turnover of over 250 billion ($ 6.2 billion) and the slightly smaller General Insurance Corporation (GIC) which has four subsidiaries: Oriental Insurance, National Insurance, New India Assurance and United India.

In 1994, an official committee headed by former Reserve Bank of India governor R.N. Malhotra recommended that the government allow private firms to compete with these state-owned monopolies after the establishment of a suitably empowered regulatory authority. Since then, however, successive governments have dilly-dallied on the question of opening up the country's insurance business to competition from private firms. In February 1997, P. Chidambaram, the then Finance Minister in the centre-left United Front government, had allowed private companies to offer health insurance policies for the first time.

In August 1997, the government headed by Inder Kumar Gujral had moved the IRA Bill in Parliament but it was not approved on account of strident opposition, not only from the Left parties (which were supporting the United Front government then) but also from the BJP, which is currently heading the coalition government.

At that time, the BJP said that it was not averse to Indian companies entering the insurance business but, at the same time, it was not favourably inclined towards foreign companies getting into this industry.

On June 1 this year, Finance Minister Sinha proposed in his budget speech that private domestic insurance concerns be allowed to enter this hitherto exclusive preserve of the government, leaving open the question of whether (and to what extent) international insurance companies could enter the fray.

The Vajpayee cabinet could be on the threshold of giving a final verdict on that question.

— *India Abroad News Service*