

# Pakistan hopes to win IMF bailout package soon

ISLAMABAD, Oct 26: Pakistan expects an economic bailout package because "it's not in the interest of lenders to see Pakistan default on its payments," a senior government official said Monday, reports AP.

Pakistan has restarted stalled negotiations with the International Monetary Fund, according to Ashan Iqbal, deputy chief of Pakistan's Planning Commission.

"I am optimistic that the country will get a bailout package because it's not in the interest of lenders to see Pakistan defaulting on the loan repayments," he said.

The package will have to come in the next few weeks if Pakistan is to avoid a default

on repayment of its \$ 32 billion external debt.

"We are in negotiations with the international lending agencies and we hope that an agreement will be reached in the next few weeks," Iqbal said in an interview Monday. "The government has arranged for all essential debt servicing in the coming weeks... by that time we will be able to reach an agreement with the IMF."

Pakistan, hurt by international sanctions after conducting nuclear tests in May and suffering from falling foreign exchange reserves, is trying to get a bail out package of \$5 billion from global lenders.

Earlier Pakistan warned it

will request a moratorium if it doesn't get the international help it needs.

Western economists say Pakistan desperately needs to restructure its loans and receive emergency funds to keep its ailing economy afloat.

"Our economy was improving during the last year until it was hit by sanctions... but it is a temporary crisis which will be managed," Iqbal said.

Last week, the IMF deferred loan talks with Pakistan after Prime Minister Nawaz Sharif's government slashed electricity tariffs by 30 per cent despite a demand by global donors that he increase utility rates.

The government also is in the middle of a feud with private

power companies accusing them of charging inflated rates to the state utility company, Water and Power Development Authority.

Iqbal said Sharif has ordered the dispute settled amicably, but it wasn't immediately clear how that was to occur. The government wants the rates charged by the power companies reduced, but so far they are resisting.

Iqbal said Pakistan's beleaguered economy also is the result of 51 years of neglect and distorted policies.

"The government is taking steps, but there are no quick fixes... it requires sustained efforts to implement the reform programme," he added.

# Sinha calls for free pricing regime in India

NEW DELHI, Oct 26: Indian Finance Minister Yashwant Sinha yesterday called for a free pricing regime in the country in a bid to speed up seven years of free-market reforms, says AFP.

"We must left market determine prices though this is not very easy," the minister told a meeting here of the Federation of Indian Chambers of Commerce and Industry (FICCI).

The government, Sinha said, was totally committed to pursue radical economic reforms launched in 1991 and letting the market determine prices was an important aspect of "internal liberalisation."

The minister said the present six to seven per cent fiscal

deficit was not sustainable. "We will have to bring down the deficit to three per cent of gross domestic product (GDP) in two to three years."

"We cannot live with a (high) fiscal deficit as we have in the past two decades."

Sinha, a Hindu nationalist, also pledged to speed up clearances of private and foreign investment proposals, reframe the country's strict labour law and cut down areas reserved for small-scale industry.

Sinha's comments came a day after Prime Minister Atal Behari Vajpayee announced a string of long-awaited measures to revive the sagging capital market and a sluggish economy.

# Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) of the Taka to clients.

Currency	Selling TT & OD	Buying TT	Selling BC	Buying OD Sight	Buying TT & OD
USD	48.7050	48.3100	48.7450	48.1570	48.0950
GBP	82.2384	81.0642	82.3059	80.8074	80.6966
DEM	28.6765	28.2487	28.7078	28.1980	28.1124
JPY	0.4126	0.4057	0.4130	0.4044	0.4038
FRF	8.9334	8.8666	8.9406	8.8411	8.8222
SAR	13.0213	12.8400	13.0320	12.8553	12.7882
MYR	12.8174	12.7135	12.8280	12.6732	12.6643
AED	13.2976	13.1160	13.3083	13.0744	13.0549
KWD	167.2582	155.1879	167.3235	154.8964	154.4651
QAR	13.4155	13.2302	13.4262	13.1983	13.1886
SFR	36.4013	35.8117	36.4312	35.6983	35.6449
CAD	31.8500	30.9640	31.8781	30.8659	30.8198
ITL	0.0219	0.0219	0.0221	0.0218	0.0218
AUD	30.8257	29.3870	30.8609	29.2939	29.2501
BIF	1.4380	1.4226	1.4392	1.4181	1.4159
HKD	6.2972	6.2212	6.3024	6.2015	6.1922
SGD	30.3156	29.3214	30.3405	29.2286	29.1849

Bill buying rates:

TT Doc	30 Days	60Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6997	46.2945

# PAL to resume flights to Asian states, ME

MANILA, Oct 26: Philippine Airlines said Monday it will soon resume flights to several Middle Eastern and Asian countries to serve an expected influx of overseas Filipinos coming home for the Christmas holidays, says AP.

The national flag carrier will also expand its flights to the United States using Boeing 747-400 planes, which US creditors have threatened to seize.

PAL, Asia's oldest airline, shut down operations on Sept. 23 after a union representing ground personnel turned down a management-proposed recovery plan that included a 10-year suspension of collective bargaining in exchange for 20 per cent ownership of the airline.

Workers agreed to accept the plan nearly two weeks after the shutdown.

PAL said it will resume flights on Dec. 1 to the Saudi Arabian cities of Dhahran and Riyadh, with service three times a week. Both cities have large numbers of Filipino construction workers and housemaids.

Asian flights will resume on Nov. 11, including daily flights to Tokyo and 14 flights a week to Hong Kong, the airline said in a statement. Service to Singapore, Taipei, Fukuoka and Osaka will begin later in November.



Ahasan Khan Chowdhury, Deputy Managing Director, Lt Col (Retd) Mahtab Uddin Ahmed, Chairman, S A Alam, Director, and Enamul Hoq Khandker, manager of the Property Development Ltd. exchange views with the buyers and owners of flats of Property Square, a 12-storey residential building of the company at a community centre in the city recently.

# Asian stock markets close lower

HONG KONG, Oct 26: Asian stock markets closed mostly lower Monday, with share prices tumbling in Tokyo on profit-taking, reports AP.

Bucking the trend was the Philippine Stock Exchange, where the key index surged 4.1 per cent on the back of a stronger peso and expectations of a further softening of domestic interest rates.

Tokyo's benchmark Nikkei 225-stock index tumbled 301.24 points, or 2.13 per cent, closing at 13,843.46. On Friday, the average had fallen 150.86 points, or 1.06 per cent.

Investors took profits following the Nikkei's 10 per cent surge in the five days leading up to Friday.

Traders also said foreign investors were selling to make up for Wall Street's losses Friday, when the benchmark Dow Jones Industrial Average lost 80 points.

Meanwhile, the US dollar was quoted at 119.02 yen in late afternoon, down 0.12 yen from late Friday in Tokyo but above its New York level of 117.95 yen late Friday.

The 30-share Philippine Stock Exchange Index rose 62.42 points to 1,586.40 after gaining 29.36 points on Friday.

The peso came close to testing the key level of 41.50 pesos per dollar. For the day, the dollar averaged 41,806 pesos, down from Friday's 42,245 pesos, on strong dollar inflows to the stock market and remittances from Filipinos working abroad, dealers said.

The market was closed in New Zealand for a holiday.

Elsewhere:

**HONG KONG:** Share prices closed slightly lower as some investors took profits following recent sharp gains. The Hang Seng Index fell 38.84 points, or 0.3 per cent, closing at 9,778.91.

**TAIPEI:** Share prices closed

slightly lower. The market's key Weighted Stock Price Index fell 5.14 points, or 0.07 per cent, to 7,050.32.

**SYDNEY:** Australian share prices closed higher on expectations of a cut in interest rates. The All Ordinaries Index rose 19.4 points, or 0.8 per cent, to 2,563.3.

**SEOUL:** Share prices closed lower on profit-taking following recent sharp gains. The Korea Composite Stock Price Index fell 7.49 points, or 1.9 per cent, to 373.32.

**JAKARTA:** Share prices closed generally lower, but late buying in some big capitalisa-

tion shares caused the index to finish higher. The Composite Index edged up 1.896 points, or 0.6 per cent, to 315.311.

**KUALA LUMPUR:** Malaysian shares closed lower in listless trading. The Composite Index slipped 0.61 point to 419.11.

**SINGAPORE:** Shares closed flat to higher. The Straits Times Index slipped 0.09 point to 1,113.50.

**BANGKOK:** Thai share prices closed slightly lower in heavy trading. The Stock Exchange of Thailand index fell 2.55 points, or 0.7 per cent, to 319.02.

# China loses battle to reach export growth target

BEIJING, Oct 26: China admitted defeat yesterday in its battle to reach export growth targets in the face of the grinding Asian financial crisis, reports AFP.

"Given the slowdown of world trade, it will be quite satisfying if our export growth rate can reach four to five per cent this year," Qiu Xuanren, Deputy Secretary of the International Trade Association of China, told the China Daily.

"The most optimistic estimate for the growth rate is six per cent," he added.

Back in March the government set a target of 10 per cent growth in exports for 1998, but the Asian financial crisis and its impact on the world economy have pushed such a target out of reach despite government efforts to increase export rebates and provide export credits.

In 1997 China's exports soared 20.9 per cent to 182.7 billion dollars, contributing to 20.6 per cent of that year's 8.8 per cent growth in Gross Domestic Product (GDP).

"If this year's exports grow by five per cent to hit 191.8 billion dollars, this will account for 19.7 per cent of this year's GDP growth which will be quite close to last year's performance," Qiu said.

But even a five per cent growth target is optimistic, as export growth in the first three quarters reached only 3.9 per cent over the same 1997 period.

# ROK unemployment rate eases to 7.3 pc

SEOUL, Oct 26: South Korea's jobless rate eased to 7.3 per cent in September amid government moves to limit ballooning job cuts through increased spending on state projects, official data showed yesterday, reports AFP.

The Office of Statistics said the job market remained volatile as the number of unemployed college graduates soared to 321,000 in September from 303,000 a month earlier.

The office estimated the total number of unemployed at 1.57 million in September, down 6,000 from August when the unemployment level decreased for the first time this year to 7.4 per cent.

The September decline was attributed to a 14.9 per cent month-on-month increase in the number of temporary or part-time job seekers at 1.92 million, it said.

Joblessness began decreasing in August after peaking at

7.6 per cent in July, reflecting the government's massive spending to create jobs and absorb those laid off under a sweeping corporate reform drive.

As a result, the number of employed increased to 20.05 million in September, up 186,000 from a month earlier.

"The decrease in unemployment is attributed to the increase in the number of employed compared to the previous month, resulting from the implementation of state projects and economic recovery," the labour ministry said.

It also pointed to lower rates of dishonoured bills and corporate bankruptcies, the number of bankrupt companies has dropped, while that of newly established ones has grown.

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# Strong rupiah worries Indonesian exporters

JAKARTA, Oct 26: Indonesian exporters fear the rapidly strengthening rupiah could hit their cash flows, a local newspaper reported Monday, reports AP.

The Jakarta Post said many had bought imported raw materials for their exports at an assumed rate of more than 8,000 rupiah to the dollar, but export revenues might be lower because of the rupiah was now trading

at around 7,500 rupiah to the dollar and could strengthen further.

The rupiah has strengthened by nearly 40 per cent since the beginning of October, after it was earlier devastated by Asia's financial meltdown.

"Many exporters are now unsure about whether to purchase raw materials because they fear the rupiah may jump to the 5,000 rupiah level," the paper quoted Firdaus Juven, a director of export company PT Chemex Jaya.

The Post said some exporters have called for the government to limit the rupiah's appreciation.

Government officials have made conflicting statements on whether the rupiah's fast rise could hurt exports.

Senior economics minister Ginandjar Kartasasmita said last week that for export competitiveness, the ideal range for the currency would be between 7,000 to 8,000 rupiah to the dollar.

However, Bank Indonesia governor Sjahri Sabirin said the rupiah could reach a level of 6,000 to 6,500 rupiah to the dollar.

He said a stronger rupiah would not hurt export competitiveness, but instead cut the cost of raw materials imported by exporters.

Meanwhile, the newspaper Bisnis Indonesia said Bank Indonesia, the central bank, is considering the reimposition of a currency trading band if the rupiah strengthens to between 5,000 and 6,000 rupiah to the US dollar.

The daily quoted an unidentified source "close to the central bank" as saying it would not peg the rupiah at a certain exchange rate, however.

Indonesia abolished a currency band in August 1997.

# Cherry Blossom quiz competition begins

A two-day second Cherry Blossom National School Quiz Competition began at the British Council auditorium in the city yesterday.

It was inaugurated jointly by the Chairperson and Managing Director of Adcom Ltd Geetara Safiya Chowdhury and Brand Manager of Reckitt and Colman Bangladesh Limited Nurul Amin Sheikh, says a press release.

The competition is being participated by 15 schools from all over the country.

Speaking on the occasion, Nurul Amin Sheikh mentioned the positive role Reckitt and Colman wish to play by encouraging children to take part in a competition such as this.

In the coming year, Reckitt and Colman will hold the competition in different regions of the country to offer wider opportunity for children to participate, he said.

The event is intended to promote the self-development, inter-personal skills and general knowledge that children need to prepare them for their professional lives.

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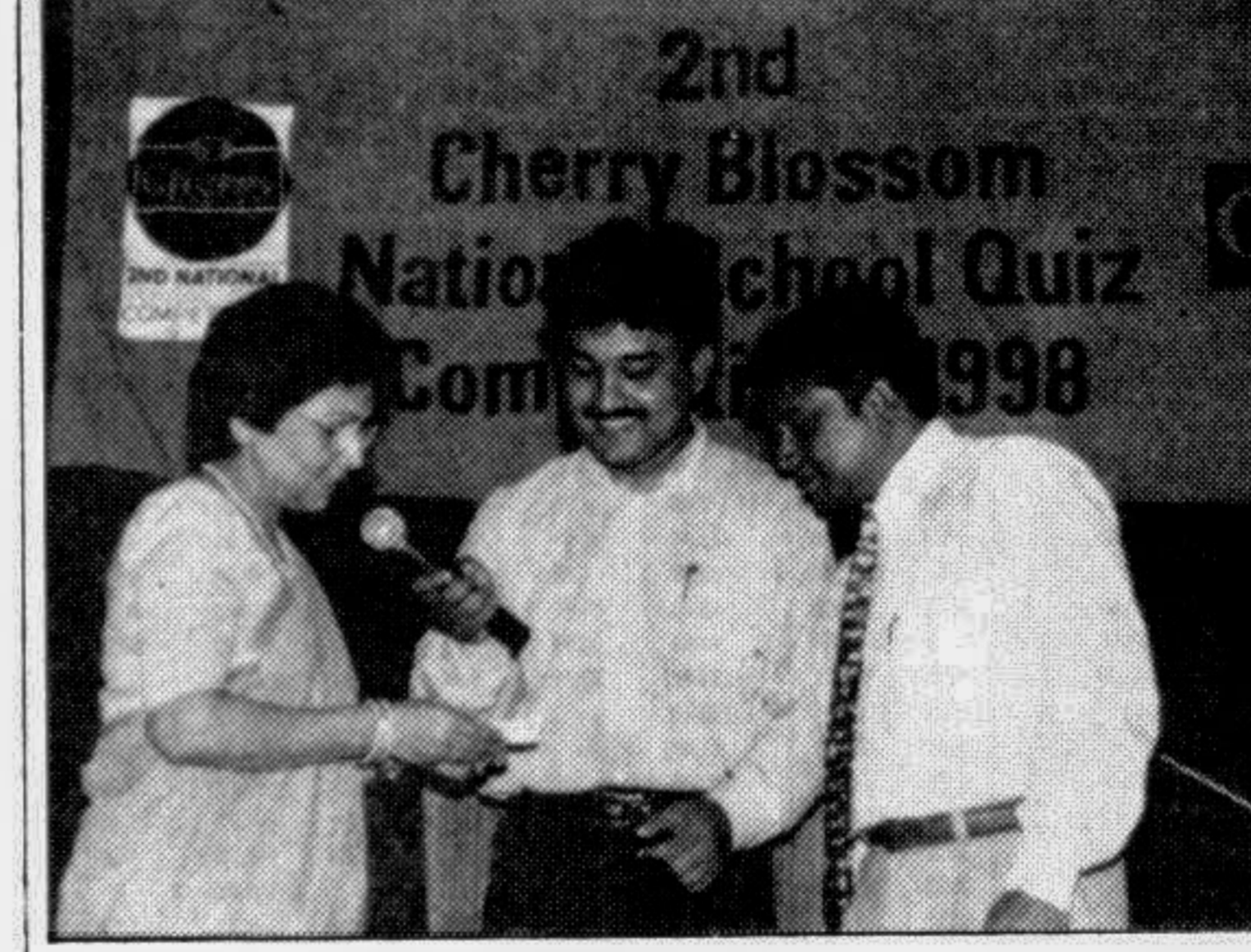
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The 2nd Cherry Blossom National School Quiz Competition 1998 at the British Council auditorium yesterday.

# US dollar London interbank offer rate

(LIBOR) as of October 26, 1998

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months	
Cash	48.0850	48.7050	USD	5.21875	5.21875	4.98675	4.84375	4.75
T/C	48.0850	48.7050	GBP	7.375	7.125	6.875	6.675	6.5625

# Amex notes on Monday's market

USD/BTD market was very active on Monday. Demand for greenback was very high in the interbank market due to higher volume of import payments. USD/BTD traded within range of 48.6400-48.6550.

Call money market was slightly up on Monday because of Treasury bills payments worth Tk 4.03 billion. Again there was maturity of Treasury bills worth Tk 3.93 billion which kept the pressure off the liquidity position of the money market. The call rates ranged between 6.50% and 7.75%.

The dollar was higher against the yen in late Tokyo trade on Monday, though the upside of the dollar was restricted by offshore Japanese exporters and overseas fund operators. Again, the greenback was well supported by bids related to the setting up of fresh investment trust funds that invest in foreign securities. At 12:23 PM local time dollar/yen was at 118.85/87 compared to Friday's New York close at 118.15/25. The dollar also gained against the Mark amid uncertainties about economic policies to be pursued by a new German government led by Chancellor-elect Gerhard Schroeder, which would be sworn in on Tuesday.

The dollar gained ground versus yen and mark in morning Europe. Yen sentiment was slightly dampened overnight by news that Moody's Investors Service had put the financial strength ratings of eight Japanese life insurance companies under review for a possible downgrade.

Sterling was expected to remain under pressure ahead of the Bank of England's Monetary Policy Committee meeting. The greenback was likely to retain a firm tone while the New York stock market remained in a recovery phase.

The Indian rupee was slightly firmer against the dollar and closed at 42.25/26 on Monday versus its previous close at 42.28/29 and Monday's open at 42.29/30.

At 17:00 PM local time in the international market the USD traded at 1.6520/6527 DEM, 118.94/119.04 JPY, 5.5360/5435/FRF, 1.35494/3508 CHF, and GBP at 1.6803/6809 USD.

# Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 26.10.98

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Date of leaving
J/1	Coral Trader	CI	-	AASS	21/10	29/10
J/2	Milennium Majestic	Wheat(P)	Bend	OTEL	16/10	2/11
J/4	Albatross-III	Rice(P)	Kand	SMSL	21/10	29/10
J/5	Coral	CI	Sing	Prog	24/10	31/10
J/6	Jan ziska	Wheat(P)	Kand	Rainbow	19/10	31/10
J/8	Malika Naree	R-Seed	Sord	Litmond	7/9	29/10
J/9	Jiang Chuan	CI	Sing	Bdship	15/10	27/10
J/10	Banga Biraj	Cont	Sing	Bdship	22/10	27/10
J/11	Beatenavys	Wheat(P)	Saut	LSCIF	18/10	26/10
J/13	Kota Cahaya	Cont	Sing	PHI(BD)	20/10	27/10
CCT/1	QC Teal	Cont	Sing	QCSL	22/10	27/10
CCT/2	Dafa	Cont	Sing	RSL	21/10	27/10
CCT/3	Abuja	Cont	Col	Baridhi	22/10	28/10
RM/14	B.J.Energy Cement	IDLE	P.Kel	USTC	23/8	-
RM/15	Lestari Indah	Cement	Jaka	USTC	11/10	29/10
GCJ	Banglar Shobha	Rice/Repair	Kand	Seacom	9/10	30/10
GSJ	Banglar Orkid Satu	Wheat(C)	Dunk	Lams	21/1-	1/11
TSP	Makron	Idle	P.Sayed/Seacom	7/10	28/10	-
DDJ	Banglar Asha	What (G)	-	KSA	R/A	-
DDJ	Banglar Kallol	Repair	-	PSAL	R/A	31/10
DD/1	Tanary Star	Idle	Para	PSAL	R/A	-
RM/8	Al Salamas	Repair	Visa	ASLL	29/8	31/10
RM/9	Banglar Mamata	Repair	-	BSC	R/A	31/10
CUFLP	Manaslu	Cont	Sing	RSL	15/10	27/10
Kafo(u)	A.A Venture	Repair	Sing	CSA	21/10	28/10

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Qc Pintal (Cont)	13/10	27/10	Sing	QCSL	Cont
SS Singapore	19/10	26/10	-	RSL	Cont
Banglar Gourab	19/10	27/10	Sing	PHI(BD)	Cont
Kota Singa (Cont)	16/10	27/10	-	JF	Scraping
Berge Duke	27/10	-	-	JF	Scraping
Sea Bird	28/10	-	-	JF	Scraping
Hunter	29/10	Pira	JF	Cont	Sing
Banglar Moni	12/10	31/10	Sing	BSC	Cont
Banglar Robi	18/10	28/10	Sing	BSC	Cont
Kota Berjaya	28/10	Sing	PHI (BD)	Cont	Sing
Yong Jiang	28/10	Sing	Bdship	CI	-
Richmond	21/10	Sing	QCSL	Cont	Sing
Makassar Express	19/10	30/10	-	Baridhi	Cont
Spring 19/10	30/10	Mong	OWSL	-	P. Sudan
Sea Pioneer	30/10	-	-	Oil	CI
Prudent Challenger	30/10	Kand	OTEL	Rice(P)	-
Banga Biro (Cont)	11/10	31/10	Sing	Bdship	Cont
Bunga Mas-II	1/11	-	-	BOSL	Cont
Kota Nag	1/11	Sing	PHI(BD)	Cont	Sing
Jurong Balsam (cont)	25/10	1/11	Sing	NOL	Cont
Prosperich (Cont)	25/10	1/11	Sing	QCSL	Cont
Diligence Cont (Cont)	25/10	3/11	Sing	QCSL	Cont
Orange Moon	20/10	3/11	-	BBA	Vehi
Banglar Shikha (Cont)	25/10	5/11	Sing	BSC	Cont

Tanker due

Name of vessels	Date of arrival	L port call	Local agent	Date of arrival
Hawalan Express	28/10	Sing	MSTPL	HSD/JP-1

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Seabulk Command	-	-	IBS	R/A(2/8)
Romina-G	C. Oil	Rast	ASTA	18/10
Banglar Jyoti	C. Oil	-	BSC	R/A
Banglar Shourabh	C. Oil	-	BSC	R/A
S. Pioneer	Wheat(G)	S. Han	LSC	24/10

Vessels at outer anchorage

Ready on:

Name of vessels	Cargo	Cont	Sing	QCSL	Date of arrival
Hibiscus	Cont	-	Sing	QCSL	22/10
Bunga Mas Enam	Cont	-	P. Kala	BOSL	23/10
Fortunate Star	Urea	-	MAD	ANCL	26/10

Vessels not ready:

Name of vessels	Cargo	Gavn	Total	Date of arrival
Varva	Wheat(P)	-	MSL	20/10
Kimdong	Rice(P)	Kaki	MSL	22/10
Sea Trader	Mop	Ilyc	Litmond	24/10
Granet River	HSP	Sanga	MSTPL	25/10
Alpha Bravery	CTSP			