

Asia hails G7 plan to reform global financial system

SINGAPORE, Nov 3: The G7 plan to reform the international financial system and halt a global economic slide was welcomed in Asia with analysts saying the initiative could spur a regional recovery from recession, says AFP.

Analysts said the pledge by the Group of Seven industrial nations — Britain, Canada, France, Germany, Japan, Italy and the United States — at the weekend would also help avert a collapse in emerging markets such as Brazil.

"It's really very good news. We have been calling for some sort of orchestrated effort by developed economies for some time," said Tea Chung, head of research at SG Securities in Seoul.

"Stability is crucial at the moment, notably in Asia where continued turbulence is delaying hopes of economic recovery," said Tea.

G7 leaders pledged Friday tighter regulation of international capital markets and a new IMF rescue fund, a short term line of credit for countries that are not in crisis but are threatened by devaluation and economic weakness.

These initiatives — along with recent interest rate cuts in developed economies — would help boost liquidity and consumer spending, indirectly buoying export-led Asian economies.

"If Asian exports recover through these initiatives, then we could see a quicker than expected economic recovery in Korea and other regional economies," said Tea.

Japan's Nihon Keizai Shimbun in its Sunday editorial noted the G7 statement "stopped short of mentioning details about ways to regulate hedge funds."

"This absence may stem from a dilemma that strong capital controls or hedge-fund regulation could invite a worldwide credit crunch," the daily said.

The mass-circulated China Times in Taiwan said industrialized and developing countries would in the future impose strict controls on short-term capital flows to help stabilise international financial markets.

Hedge funds have been blamed in part for precipitating

the regional economic crisis which began in July 1997 with the float of the Thai baht.

"Overall the policies announced by the G7 are very positive... but now we are in a situation where we see huge deleveraging," said Chua Soon Hock, chief strategist of Sanwa Bank Ltd. in Singapore.

Chua said there was a potential risk that bureaucrats may view the G7 calls for international financial reform as "an opportunity to curb capital leverage."

"Deleveraging is extremely contractionary and we have to adopt pro-growth policies at this time," he said.

Deleveraging and plunging asset prices were straining financial institutions in both developed and developing economies, said Goldman Sachs, in its macroeconomic outlook for emerging economies last month.

The US-based investment house noted that the financial crisis has already destroyed 2.3 trillion US dollars worth of global financial wealth, one-fifth of this loss took place in emerging markets, it added.

Japan's upcoming economic package aims at easing credit crunch

TOKYO, Nov 3: Japan's new economic package to be unveiled in two weeks will include the government's use of public money to buy corporate bonds and help ease the nation's credit squeeze, a report said yesterday, reports AFP.

The measures to shield the economy from the deepening credit crunch would be the main focus of Tokyo's fresh stimulus package, Kyodo news agency said.

The scheme would allow the government to purchase bonds floated by private firms by drawing on the pool of savings deposited by citizens at the state-run postal savings system, the reports said.

Under the current law the government can use postal money to buy corporate bonds, but the new package will relax conditions for such purchases, it said.

Small firms in Japan are particularly hit hard by the credit crunch as banks call in outstanding loans to corporate borrowers in an effort to improve their capital-to-asset ratio.

Another pillar of the package will be more than seven trillion yen (60 billion dollars) in tax cuts, Kyodo said.

US wants Asia to keep markets open

HONG KONG, Nov 3: Top European officials said Tuesday that cheaper exports from Asia will create political pressures at home, but they don't want short-term worries to hinder more liberal trade between the regions, says AP.

The Europeans warned Asian business leaders that they, too, must stick by agreements to open markets to more goods made in the European Union.

EU nations will have to accept that a bigger inflow of products from Asia — made even cheaper by the financial crisis — will widen European trade deficits for now, said Sir Leon Brittan, vice president of the European Commission.

But that should not obscure bigger issues, the Europeans say.

Let me state quite clearly: "Our markets will remain open," EC President Jacques Santer said in a luncheon address to Hong Kong businessmen, as the Europeans wrapped up a trip that took them first to mainland China.

Santer noted that European imports from China have surged by 25 per cent in the first half of 1998, while other Asian countries are "rapidly increasing their exports."

In a veiled reference to a possible backlash towards cheaper Chinese goods, Santer noted that it would be "increasingly difficult to tackle the inevitable protests" unless Beijing gives European businesses "equivalent access" to Chinese markets.

China argues it has already gone a long way toward opening its markets and meeting membership conditions at the World Trade Organisation, which sets global rules for free trade.

China has accused WTO members of demanding too many concessions.

Santer also made reference to the Hong Kong government's recent intervention in the stock market. Hong Kong authorities bought billions of dollars in blue chip stocks in August amid concerns that global speculators were trying to make big profits by attacking Hong Kong's currency and shares.

Santer said he was pleased with Hong Kong's promises that the intervention was not intended to signal any kind of change in the territory's laissez-faire economic policies.

Still, Santer cautioned that measures to curb speculation "can risk interfering with the corrective nature of the markets themselves."

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicated against the Taka) to clients.

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT & OD
USD	48.7050	48.3100	48.7450	48.1570	48.0650
GBP	81.2302	80.0400	81.2999	79.7865	79.6572
DEM	29.4860	29.0666	29.5102	28.9736	28.9303
JPY	0.4239	0.4167	0.4243	0.4154	0.4147
FRF	8.8941	8.6313	8.9014	8.6039	8.5911
SAR	13.0227	12.8450	13.0334	12.8043	12.7822
MYR	12.8516	12.7474	12.8622	12.7070	12.6880
AED	13.2976	13.1167	13.3085	13.0751	13.0565
KWD	167.2849	155.1361	167.4223	154.6468	154.4155
QAR	13.4156	13.2302	13.4265	13.1883	13.1698
SFR	36.1528	35.5991	36.1825	35.4565	35.4035
CAD	32.116	31.2181	32.1431	31.1192	31.0727
ITL	0.0217	0.0208	0.0219	0.0207	0.0206
AUD	30.9374	29.7058	30.9628	29.6117	29.5575
BEF	1.4321	1.4155	1.4333	1.4110	1.4089
HKD	6.3012	6.2251	6.3094	6.2054	6.1981
SGD	30.3742	29.3767	30.3991	29.2837	29.2399

Bill buying rates:

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9374	47.5048	47.1023	46.6997	45.8945

US dollar London Interbank Offered Rate (LIBOR) as of November 3, 1998

	Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
Cash	48.0850	48.7050	USD	5.28	5.31	5.13	4.9875	4.9025
T/C	48.0850	48.7050	GBP	7.25	7.25	6.87	6.6875	6.5

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.31/42.32	56.20/56.35	36.64/36.64	3.7898/3.8098	7950/8450	1313/1316

Amex notes on Tuesday's market

USD/BDT market was active with moderate level dollar demand, USD/BDT mostly traded within range of 48.6450-48.6500.

Call money market was steady and call rates ranged between 6.00% and 6.50%. Most of the deals were done around 6.00%-6.25% level.

The US dollar rose against the yen in Hong Kong trade on Tuesday on buying orders by US investment banks. But trading was sluggish and thin as the Tokyo market was closed for a public holiday.

The dollar was creeping higher against the mark on Tuesday, poking above the 1.66 level fresh first time this week amid a retreat in mark/yen and some light speculation of a German rate cut this week. Repo rate cuts in Spain and Sweden earlier in the day have stoked some expectations that the Bundesbank could follow it though currency analysts largely dismissed such possibility.

Steering was proving to be the main attention-grabber for the market. Sterling sentiment was bearish against the backdrop of a gloomier outlook for the UK economy that had kept speculation simmering of a UK rate cut later this week.

Sterling/dollar was at 7-1/2 weeks low level and trading at 1.6550/60 at the mid European trading. Market perceive that the UK economy, which had been slowing of its own accord, would suffer some more because of the global slowdown caused by the recent turbulence in the financial markets. Many market players believe that the Bank of England's Monetary Policy Committee will cut interest rates more aggressively than previously expected to savage the economy.

The Indian rupee ended steady on Tuesday against the dollar at 42.31/42.32.

At 1800 local time in the international market, the USD traded at 1.6618/6623 DEM, 115.10/115.15 JPY, 5.5740/5750 FRF, 1.3565/3575 CHF, and GBP at 1.6552/6562 USD.

Growth to gain momentum in Asia Global economy to weather recession next year

ZURICH, Nov 3: The global economy will avoid recession next year but growth will weaken visibly in North America and Europe, while regaining some momentum in troubled Asia, Credit Suisse forecast, says AFP.

In its latest economic analysis, Credit Suisse forecast yesterday that global gross domestic product (GDP) in 1999 would remain at this year's level of around 1.5 per cent.

"The likelihood that the global economy as a whole will avoid stagnation or a slide into recession has risen," Credit Suisse said.

While there was still considerable leeway for US fiscal policy and interest rates, the bank however expects US economic growth to slow to between 1.5 per cent and two per cent next year from a projected 3.5 per cent this year.

Economies in the euro belt are forecast to grow on average by just under two per cent next year.

While there is less room for manoeuvre on economic policy

in western Europe, two positive factors for the region are the downward drift in unemployment and the launch of European Monetary Union, Credit Suisse said.

Asia (excluding Japan) is seen likely to expand by over four per cent in 1999 against around 1.5 per cent this year, mainly because China and India have not succumbed to recession.

Cotton farming on 7,285 hectares in Jhenidah

JHENIDAH, Nov 3: The Cotton Development Board, Jhenidah region, has undertaken a programme to bring 7,285 hectares of land in seven thanas of Jhenidah and Magura districts under cotton cultivation in the ensuing season, reports BSS.

Official source said, 8,743 tonnes of seed cotton worth about Tk 26.23 crore is expected to be produced in this region this year.

In the seven countries hardest hit by the 18-month Asian financial crisis (Thailand, Indonesia, Taiwan, Malaysia, the Philippines, Hong Kong and Singapore), Credit Suisse estimates that GDP will shrink by between 1.5 per cent to 7.5 per cent in 1999.

Japan's economy 'will at best stagnate' in 1999, an 'unsatisfactory performance given the approximate three per cent decline in GDP this year, the bank said.

A more positive picture of the world economy might be painted if the Japanese economy were to stage a powerful recovery, unfortunately, there is little likelihood of Japan acting as a stimulus in the coming year, Credit Suisse said.

Despite measures to restructure its financial system, bad debt is proving too great a problem, and consumers and the business community are too unsettled, the report said.

Economies in Latin America are noticeably cooling, with the increase in average GDP this year probably set to halve.



Russian steelworkers picketed the US Embassy in Moscow on Monday. Russian steel companies appealed to US Vice President Al Gore not to impose anti-dumping measures against imports of Russian hot-rolled carbon steel. Leading US steel companies have recently accused Japan, Russia and Brazil of dumping steel on the US market at prices dramatically below production costs and prices at home, saying it has caused layoffs and lower profits at American plants. — AP/UNB photo

Shipping Intelligence

Chittagong port
Berth position and performance of vessels as on 3.11.98

Berth No	Name of vessels	Cargo	L. port call	Local agent	Date of arrival	Leaving
J/2	Milennium Majestic	Wheat(P)	Beng	OTBL	16/10	3/11
J/3	Banglar Gourab	Rice (P)/GI	Kgra	BSC	27/10	3/11
J/5	Sea Bird	Rice (P)	Kaki	CCNL	31/10	10/11
J/6	Ses Pioneer	GI	P.Kel	Oil	02/11	5/11
J/9	Banglar Asha	Wheat(G)	KSA	R/A	5/11	7/11
J/10	Varva	Wheat(G)	Gewn	Total	20/10	7/11
J/11	Beatnavis	Wheat(G)	Saut	LSCIP	18/10	4/11
J/12	Kota Berjaya	Cont	Sing	PHIBD	29/10	4/11
J/13	Jorong Balam	Cont	Sing	Nol	31/10	4/11
CCT/1	Richmond	Cont	Sing	QCSL	30/10	3/11
CCT/2	Banga Brol	Cont	Sing	Bdshp	31/10	3/11
CCT/3	Banglar Mohi	Cont	Sing	BSC	31/10	5/11
RM/15	Lestari Indah	Cement	Jaka	USTC	11/10	4/11
GSJ	Bunga Orkid Satu	Wheat(G)	Dunk	Lams	21/10	3/11
TSP	Qing Ling	R. Phos	Nanj	Seacom	01/11	10/11
RM/3	Qurt	Cdso	Plaws	Seacom	29/10	5/11
RM/5	Hawaiian Express	Hsd/JP-1	Sing	MSTPL	28/10	4/11
DDJ	Banglar Shourabh	C.Oil	-	BSC	R/A	6/11
DD	Banglar Mamata	Repair	-	BSC	R/A	-
DDJ/1	Tanay Star	Idle	Para	PSAL	15/11	-
RM/8	Al Salamas	Repair	Visa	ASLL	29/8	6/11
RM/9	Banglar Kallol	Repair	Repair	R/A	BSC	2/11
CUTLJ	Mary Noor	Cement	Lanc	BSL	30/10	12/11

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. port	Local agent	Cargo	Loading port
Silver Star	3/11	Mong	Lams	C. Letteris	-
Kallang	3/11	Mong	KSA	-	-
Capetan Letteris	3/11	-	-	Lams	Wheat(G)
Asean Energy	3/11	-	-	AASS	GI (Log)
Xpress Resolve (Cont) 27/10	3/11	Sing	RSL	Cont	-
Esco Argo	4/11	-	-	Prog	GI
Prudent Challenger	4/11	Kand	OTBL	Rice(P)	-
Diligence Cont (Cont) 25/10	4/11	Sing	QCSL	Cont	Sing
Chin Shwe Haw	4/11	-	-	MTA	GI
Paramashri	4/11	-	-	BSL	PSSP (Fert)
Arbat	7/11	-	-	USTC	Cement
Banglar Shikha	6/11	Sing	BSC	Cont	Sing
Kota Caha Ya (Cont) 26/10	6/11	Sing	PI (BD)	Cont	Sing
Yasmina	6/11	Kaki	SMSL	Rice(P)	-
Young Jiang	6/11	-	-	BD Shp	GI
Ultima (Cont) 28/10	6/11	-	-	Baridhi	Cont
Da Fa (Cont) 1/11	6/11	Sing	RSL	Cont	Sing
Pathen	6/11	Yang	MTA	GI	-
Ocean-1	7/11	Yang	SMSL	GI	-
Banglar Maya 7/11	8/11	Male	BSC	GI (Gont)	-
Trono	8/11	-	-	Everett	GI
Orange Moon (Roro/24) 20/10	9/11	Sing	QCSL	Cont	Sing
Qc Teal 28/10	9/11	-	-	Bs	Vehi
Hilvers (Cont) 28/10	9/11	Sing	BSC	Cont	Col
Marine Fortuner	9/11	-	-	RML	COMBL
Bunga Mas-II (Cont) 21/10	9/11	P Kela	EOSL	Cont	Sing
Penguin	10/11	Yang	SMSL	GI	-
Kota Singa (Cont) 1/11	10/11	Sing	PI (BD)	Cont	Sing
Qc Pintal (Cont) 1/11	10/11	Sing	QCSL	Cont	Sing
Silver Lake	10/11	-	-	Prog	GI
Banglar Robi (Cont) 1/11	11/11	Sing	BSC	Cont	Sing
Leona	11/11	-	-	Prog	GI
Sheng Mu	13/11	-	-	Everett	Ura

Tanker due:

Kobuleti	2/11	Tsl	CDSO
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Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Seabulk Command	-	-	IBS	R/A(2/8)
Hua Qiang	Wheat (G)	Dunk	Lams	R/A(9/9)
Global Jane	Wheat (G)	Mong	Lams	1/11

Vesels at outer anchorage

Ready on:

Prosrich	Cont	Sing	QCSL	1/11
Kota Naga	Cont	Sing	PI (BD)	1/11
Bunga Mas-II	Cont	P Kel	EOSL	1/11
Alam Selar	Wheat(P)	Pena	Angelic	30/10

Vessels not ready:

Julie-n	Sko	Sing	MSTPL	30/10
Jon Jin	Cement	Sakar	USTC	1/11
Evandros-K	Cement	Sing	PSAL	1/11
S. Pioneer	Wheat(G)	S. Hani	LSC	R/A(31/10)
Maria-S	Cdso	Mad	Rainbow	2/11
Orhangazi	Wheat(P)	Istam	AASS	3/11

Vessels awaiting instruction

Karya Sentosa	Rice(G)	-	USTC	R/A(18/9)
Rong Jiang <td>Rice(G)</td> <td>Kaki</td> <td>OWSL</td> <td>R/A(9/9)</td>	Rice(G)	Kaki	OWSL	R/A(9/9)
Eka Lestari <td>Rice(G)</td> <td>Para</td> <td>MHCSL</td> <td>R/A(26/9)</td>	Rice(G)	Para	MHCSL	R/A(26/9)
Ritz <td>Rice(G)</td> <td>Kaki</td> <td>Cross</td> <td>R/A(24/9)</td>	Rice(G)	Kaki	Cross	R/A(24/9)
Anangel Eagle <td>Wheat(G)</td> <td>-</td> <td>LSC(P)</td> <td>R/A(25/10)</td>	Wheat(G)	-	LSC(P)	R/A(25/10)

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

BANGLADESH AGRICULTURAL DEVELOPMENT CORPORATION OFFICE OF THE PROJECT DIRECTOR
MAHBUBUL HUDA BHUIYA, ASHUGANJ-PALASH AGRO IRRIGATION PROJECT, ASHUGANJ, B'BARIA

NOTICE INVITING TENDER

1. Tender Notice No : PD/05/(98-99) Dated: 25.10.98

2. Tender documents can be purchased from:

- Cashier, Krishi Bhaban, 3rd floor, 49-51, Dilkusha/C/A, Dhaka-1000.
- Office of the Project Director, BADC, Mahbul Huda Bhuiya, Ashuganj-Palash Agro-Irrigation Project, Ashuganj, B'baria.
- Office of the Dy. Project Director, BADC, Mahbul Huda Bhuiya, Ashuganj-Palash Agro-Irrigation Project, Palash, Narsingdi.

3. Place of submission of tender:

- Office of the Chief Engineer (Irrigation), BADC, 4th floor, Krishi Bhaban, Dhaka-1000.
- Office of the Project Director, BADC, Mahbul Huda Bhuiya, Ashuganj Palash Agro-Irrigation Project, Ashuganj, B'baria.
- Office of the Dy. Project Director, BADC, Mahbul Huda Bhuiya, Ashuganj-Palash Agro-Irrigation Project, Palash, Narsingdi.

4. Last date of tender purchasing : 18.11.98 (up to office hours).

5. Last date & time of submission : 19.11.98 (up to 2:00 PM).

6. Date & time of opening : 19.11.98 at 2:30 PM.

7. Eligibility of tenderer : Pre-qualified contractor/firm of the project.

8. Cost of bid documents : Shown the description of works against individual works (Non-refundable).

9. Earnest money : 2.5% (Two & half per cent) of the quoted rate in the form of Bank Draft/Pay Order from any scheduled bank of Bangladesh in favour of Project Director.

10. Short description of works:

S No	Pack/Group No	Description of works	Estimated amount (In taka)	Cost of bid documents	Compl. time
1	2	3	4	5	6
1	O&M-Pol-01	Construction of 4 nos. field outlet, repair and maintenance of 3 nos sluice gate at different places of the Palash area and repair of brick canal at Paiksha.	3,99,902/-	300/-	30 days
2	Pol-05/14	Construction of 0.40 km feeder road, filling the soil at bridge/culvert/approaches & removing earth/mud from siphone.	1,79,012/-	200/-	30*
3	Pol-06/15	Construction of 3.50 km earthen embankment from Baribari rail line to Batpara.	3,12,538/-	300/-	30*
4	Pol-06/16	Construction of 4.0 km earthen embankment from co-operative to Fuldirtak.	2,85,348/-	200/-	30*
5	Pol-06/17	Construction of 2.00 Km earthen embankment from Muchibari to Malita.	2,34,780/-	200/-	30*
6	Pol-06/18	Re-excavation of 1.75 km canal from Railway sluice gate to Grapara canal & 1.65 km from Tagorepara to Uttarchand canal.	2,14,059/-	200/-	30*
7	Pol-06/19	Re-excavation of 2.50 km canal from Bollove house to Baribari Bridge.	2,35,425/-	200/-	30*
8	Pol-06/20	Re-excavation of 3.00 km canal from Schochirbari to Zogeshorebari.	3,53,836/-	300/-	30*
9	Pol-06/21	Re-excavation of 2.00 km canal from Miabari (South side) to Shahjahan's house.	2,39,832/-	200/-	30*
10	Pol-06/22	Re-excavation of 2.00 km canal from Chan Mia's house to Siddique Mia's house and removing earth inside of RCC canal main gate to siphone.	2,94,846/-	200/-	30*
11	Pol-06/23	Re-excavation of 2.50 km canal from Amorchad house to Rakhai house (up to Brojendra House).	3,37,631/-	300/-	30*

11. In order to purchase the tender documents, the original pre-qualification renewal letter for 98-99 must be shown and a copy of the same should be enclosed with the tender.

12. Rates should be quoted considering all kinds of TAXES, VATS, etc.

13. Tenderers quoting rate more than 10% above or less, should submit the itemwise rate analysis along with their tender, failing which the tenders may be rejected.

14. For any other information & to see necessary drawings, office of the Deputy Director concerned may be contacted.

15. The authority reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever.

Md. Mahbulul Islam
Project Director
Mahbulul Huda Bhuiya, Ashuganj-Palash
Agro-Irrigation Project
BADC, Ashuganj, B'baria.

ADC-567
DFF-22975-29/10
G-2456

IMF approves release of \$ 280m loan to Philippines

MANILA, Nov 3: International Monetary Fund has approved the release of the Philippines of around 280 million dollars from a 1.3 billion dollars precautionary loan arrangement, the Philippine central bank said Tuesday, reports AP.

Central Bank Managing Director Amando Tetangco said the approval was given last Friday.

The central bank expects to be able to draw the 280 million dollars either Wednesday or Thursday. It will be used to increase the central bank's foreign currency reserves, which stood at 10.6 billion dollars at the end of September, Tetangco said.

He said the IMF funds should help boost the Philippine peso, which broke through the 40 peso-per-dollar level Tuesday to set a new four-month high.

Tetangco attributed the peso's appreciation to strong dollar inflows from foreign direct investors, stock investors and Filipinos working overseas.

The stock market has experienced sharp gains over the past eight sessions, while remittances from Filipinos working overseas have been strong since the start of last month.

Income growth slows to a crawl Americans raid savings to maintain spending

WASHINGTON, Nov 3: Income growth slowed to a crawl in September but Americans dipped into their savings for the first time in nearly 40 years and kept right on spending, says AP.</