

US-EU talks on banana row at WTO make no headway

GENEVA, Nov 26: Washington and Brussels ceded no ground yesterday in Geneva in attempts to resolve a difficult dispute over bananas at the World Trade Organisation (WTO) that has tarnished transatlantic trade ties, reports AFP.

cent duties in retaliation for what Washington claims is the EU's failure to implement WTO panel rulings judging its banana regime discriminatory. The duties would not take effect before February 1.

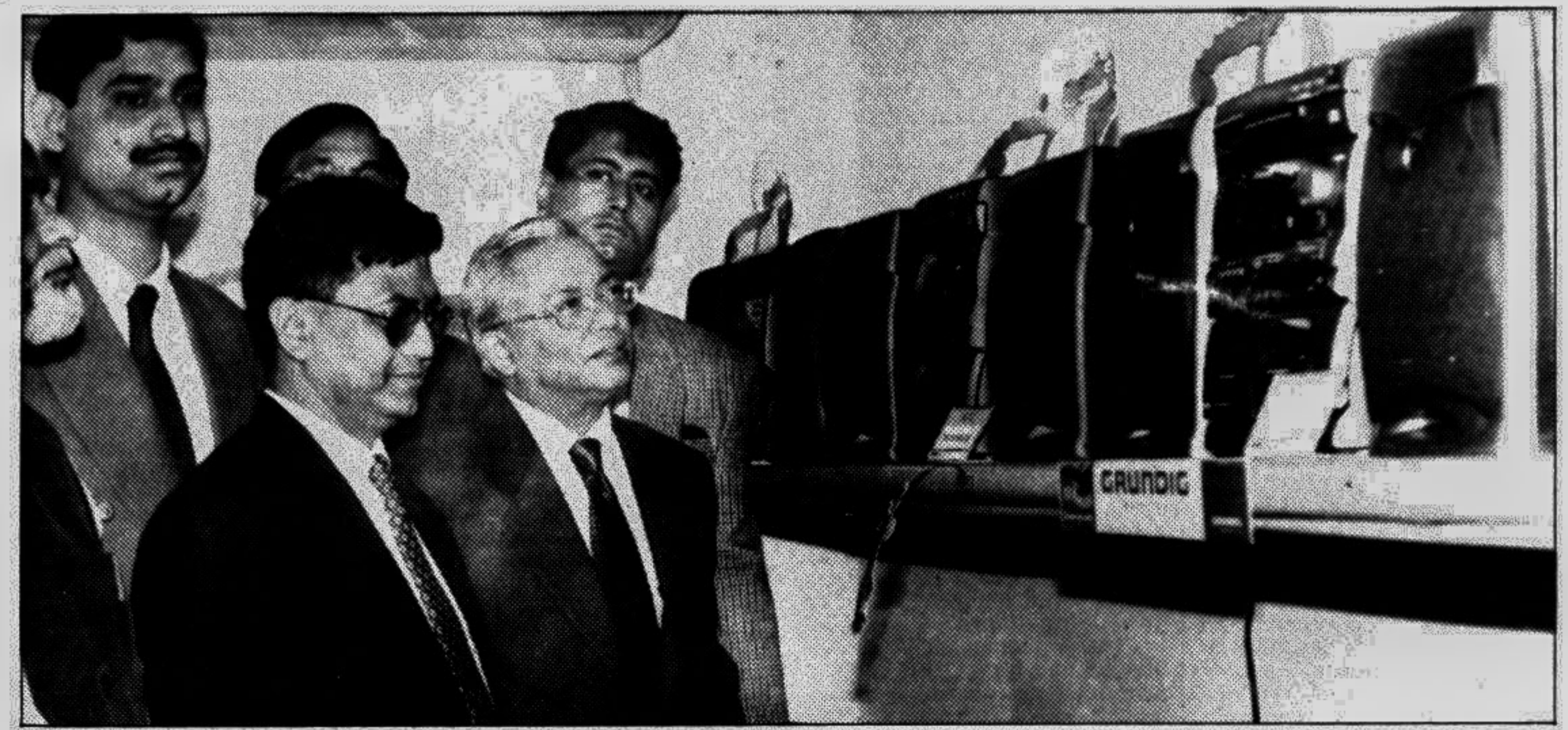
rulings, which it has until the beginning of 1999 to implement, under a "fast-track procedure" which is slated to end January 15.



Khondokar Rashidul Huq, Chairman of Bangladesh Parjatan Corporation, delivers his speech at the inauguration ceremony of Parjatan Motel and Restaurant in Dinajpur recently.

Asia-Pacific PC market seen rebounding

SINGAPORE, Nov 26: The personal computer (PC) market in the Asia-Pacific region is expected to rebound in the final quarter this year and grow by 16 per cent in 1999, an industry research firm said today, reports AFP.



FBCCI President Abdul Awal Minto having a look at Grundig electronics products after inaugurating a showroom of Sears Electronics Ltd, the sole distributor of Grundig in Bangladesh, at Mirpur in city yesterday.

Pakistan gets \$5.5b IMF bailout package

ISLAMABAD, Nov 25: After two weeks of tough talks, the International Monetary Fund agreed Wednesday to give Pakistan \$5.5 billion to salvage its shattered economy, finance officials said, reports AP.

The deal gives Pakistan \$3.3 billion from the IMF, Asian Development Bank and World Bank. The remainder of the \$32 billion debt.

The agreement ends months of economic uncertainty during which time Pakistan's stock market plunged to record lows, foreign investment dried up the jittery Pakistani investors stayed out of the market.

The biggest hurdle to the bailout package was removed earlier this month when the United States agreed to support a one-time deal for Pakistan despite sanctions imposed on both Pakistan and neighboring India in May.

"It is a home grown program ... it has not been imported from any other country," said Finance Minister Ishaq Dar.

The IMF deal still requires approval from the IMF board of directors at a meeting in Washington next month, Pakistan's finance ministry officials said at a news conference in the federal capital, Islamabad.

IT policy soon Pakistan forms task force to tackle Y2K bug

ISLAMABAD, Nov 26: Prime Minister Nawaz Sharif will announce the first Information Technology (IT) policy of Pakistan in the coming month to prove government's commitment to uplift of science and technology in the country, reports PPI.

This was stated by Deputy Chairman of Planning Commission M N A Hsan Iqbal while addressing a seminar "meeting the Millennium Challenge" organised by Pakistan Tobacco Company (FTC) in collaboration with Pakistan Computer Bureau here Tuesday.

He said millennium bug (Y2K) is one of the biggest problems faced by the ever important growing IT world and a National Task Force has been established to solve it.

This task force has made its control room in Pakistan Computer Bureau in order to formulate a proper strategy for meeting the challenge.

He said "We as a nation are casual in our approach to the millennium bug and perhaps are not fully aware of complications this problem may create."

Euro will boost EU role in world economic crisis

VIENNA, Nov 26: The introduction of the euro single currency will boost Europe's economic muscle, and allow it to increase its role in global crisis-management, the Austrian EU presidency said yesterday, reports AFP.

Austrian Finance Minister Wolfgang Ruettenstorfer said the January 1 launch of the euro would underpin Europe's solidarity in fighting recent crises such as those in Asia, Russia and Brazil.

"As we face challenges of historic dimension, we enjoy at present a degree of homogeneity and unity among European governments that makes joint European action possible," he told a conference on the euro.

"Furthermore, joint European action is essential, as growth, employment and financial stability in the world are at stake."

Ruettenstorfer, speaking on behalf of the Austrian EU Presidency, said that the euro would become a "reserve currency" along with the dollar and the yen, and said this can only help global financial management.

The impact of Emu on the European and indeed the global economy goes beyond the mere introduction of a single currency. With down-side risks having increased in the world economy, our task is -- for the first time -- to give a correct, coordinated European macro-economic policy response," he said.

To sum it up, an integrated European financial market will in future contribute to a smoother functioning of the global financial system as a whole," he said.

The minister repeated that Austria hoped to resolve the contentious issue of the euro's external representation in time for the Vienna summit which claims Austria's EU presidency on December 11-12.

Iran is considering allowing capital to flow freely into the country, in a bid to attract foreign investment to its ailing economy, reports AFP.

Iranian Industries Minister Gholamreza Shafiei was quoted by the press Wednesday as saying that the government is planning to allow investors to bring capital into the country and withdraw it "at their own discretion" without permission from the government or central bank.

The proposal is part of the draft budget for the fiscal year starting March 1999, which parliament will discuss in coming days.

Malaysia may not get new Japan investment

KUALA LUMPUR, Nov 26: The head of Japan's most influential business lobby said Thursday that new Japanese investment in Malaysia was unlikely because not enough products could be sold in the country, says AP.

"I don't think, with the market contracting, we can hope for new investments," said Takashi Imai, chairman of the Japan Federation of Economic Organizations, or Keidanren."

A curb on yen coming in could further hurt Malaysia, which is grappling with its first recession in a decade and desperately needs foreign investment to boost its manufacturing sector.

Japan is the third biggest investor in Malaysia after the United States and Singapore.

Imai, who also serves as chairman of top-ranked steel-maker Nippon Steel Corp, said that any new money coming in would only be meant for existing joint ventures between Malaysian and Japanese companies which are struggling to cope with the fall in demand.

A delegation of visiting Japanese businessmen met with Malaysian Prime Minister Mahathir Mohamad earlier Thursday.

Malaysia imposed selective capital controls. Those curbs prohibited offshore trading of ringgit, effectively pegging the Malaysian currency at 3.80 to the US dollar.

The policy was crafted to allow Malaysia's economic planners to pump more liquidity into the recession-hit economy without undermining the stability of the currency.

Public and private sector representatives who addressed the seminar were of the view that "the technical problem is easy to deal with as a date element that is currently two digits needs to be expanded to four digits. But what makes it difficult to handle is the billions of references to dates that must be identified, corrected and tested before the deadline of January 1st 2000," they pointed out.

Quantia just opened its third notebook factory in October, and recruited 300 people to reach a total workforce of 2,500. Quantia will produce an estimated 1.4 million sets this year, double last year's output.

Taiwan's notebook industry is also capitalising on the regional economic crisis that has forced Japan and South Korea to halt expansion projects on screen displays.

Taiwan may produce 40pc of global notebook computers this year

TAIPEI, Nov 26: While many businesses struggle amid Taiwan's economic doldrums, the notebook computer makers are busily expanding in an industry that should grow by 35 per cent this year, according to government projections released Wednesday, reports AP.

Notebook makers have emerged a rising star in Taiwan's computer industry, after the island secured its place as the world's top producer of monitors, keyboards and motherboards.

Notebook makers are reporting higher profits, sending their share prices soaring in a generally lacklustre stock market.

The 1998 output likely will represent a 35 per cent increase from 1997 when Taiwan-made notebooks totalled 4.46 million sets and generated US \$6.6 billion in revenues. The government did not provide any estimates for this year's revenue from the notebooks.

A few Japanese firms, such as NEC, have purchased notebooks from Taiwan because of lower prices. The buying pressure eased this year because a sharp depreciation of the Japanese yen made the Taiwanese products somewhat less attractive in Japan, but Taiwanese executives believe their price advantage eventually will return.

requiring the higher technology of placing small components in a compact space, signals Taiwan's advance in the computer industry. Overall, however, Taiwan's industry still lags those of the United States, Japan and South Korea.

Using chips produced by US maker Intel, Taiwan has been the main supplier for Compaq, Dell, Hewlett-Packard and IBM.

Tim Lee, manager of Quantia Computer Inc, Taiwan's largest notebook maker, said Taiwan's strengths lie in its engineering manpower, design and manufacturing capability.

Japan has a strong component industry, and the US computer industry is more diversified, but Taiwan's smaller makers have the flexibility to produce notebooks faster with more efficiency, analysts say.

Exchange Rates

Table showing American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients. Columns include Currency, Selling TT, Buying TT, Selling BC, Buying OD, and Buying TT & Sight.

Table showing US dollar London Interbank Offered Rate (LIBOR) as of November 26, 1998. Columns include Buying, Selling, Currency, 1 Month, 3 Months, 6 Months, 9 Months, and 12 Months.

Table showing Exchange rates of some Asian currencies against US dollars. Columns include Indian Rupee, Pak Rupee, Thai Baht, Malaysian Ringgit, Indonesian Rupiah, and Korean Won.

Amex notes on Thursday's market USD/BDT market was somewhat dull. The supply of USD increased as remittances come in, keeping the USD/BDT rates in the 48.65-48.6252 level.

The call market liquidity is slowly drying up. Call rates ranged between 7.30 per cent and 7.80 per cent level yesterday.

The dollar was up nearly one per cent against yen in early European trade on Thursday, as attention swung to Japan's worsening fiscal position.

"The yen fell basically because we saw a big sell-off in JGBs (Japanese government bonds)," said Nick Stamenkovic, European economist at Bank Austria Creditanstalt Futures.

"People are getting very concerned about Japan's deteriorating fiscal position and this is leading to worries about Japanese assets," Analysts said the overnight auction of 10-year JGBs did not go very well and provoked a yen and JGB futures sell-off.

"Negative yen sentiment also boosted the mark/yen rate, traders said and the rate was up more than one per cent from late Wednesday levels. By 0914 GMT, mark was at 71.74/78 yen from 70.87/92 in late European trade on Wednesday.

In New York, the majors closed on Friday against the USD at 1.7042/7045 DEM, 122.34/122.44 JPY, 5.7150/7155 FRF, 1.4084/4094 CHF and GBP at 1.6544/6554 USD.

Shipping Intelligence

Table for CHITTAGONG PORT showing Berth position and performance of vessels as on 26.11.98. Columns include Berth No, Name of vessels, Cargo, L port, Local call, Agent, Date of arrival, and Date of leaving.

Table for Vessels due at outer anchorage. Columns include Name of vessels, Date of arrival, L port, Local call, Agent, Cargo, and Loading port.

Table showing shipping arrivals and departures. Columns include Name of vessels, Date of arrival, L port, Local call, Agent, Cargo, and Loading port.

Table for Tanker due. Columns include Name of vessels, Date of arrival, L port, Local call, Agent, Cargo, and Loading port.

Table for Vessels registered. Columns include Name of vessels, Cargo, Last port call, Local agent, and Date of arrival.

Table for Vessels at Kutubdia. Columns include Name of vessels, Cargo, Last port call, Local agent, and Date of arrival.

Table for Vessels at outer anchorage. Columns include Name of vessels, Date of arrival, L port, Local call, Agent, Cargo, and Loading port.

Table for Vessels awaiting instruction. Columns include Name of vessels, Date of arrival, L port, Local call, Agent, Cargo, and Loading port.

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.

Iran eyes increased foreign investment

TEHRAN, Nov 26: Iran is considering allowing capital to flow freely into the country, in a bid to attract foreign investment to its ailing economy, reports AFP.

Iranian Industries Minister Gholamreza Shafiei was quoted by the press Wednesday as saying that the government is planning to allow investors to bring capital into the country and withdraw it "at their own discretion" without permission from the government or central bank.

The proposal is part of the draft budget for the fiscal year starting March 1999, which parliament will discuss in coming days.

private-sector and foreign investment in its depressed economy in an attempt to diversify it and cut the country's near total dependence on the sale of oil. Iran is facing a severe cash crunch following plummeting oil prices.

The move, if ratified, is another step away from years of central planning, nationalisation and an emphasis on national self-sufficiency, though the private sector remains excluded from telecommunications, oil and other "strategic" areas.

Foreign investors have been reluctant to deal with Iran's Byzantine bureaucratic procedures whose regulations change overnight.

Iran has attempted to make itself more attractive by creating free-trade zones and designing buy-back plans to ensure steady returns for foreign investors in the oil sector.