

Asia-Pacific airlines call for cuts in port fees

MANILA, Nov 29: The Asia-Pacific Airlines Association (AAPA) yesterday called for action to bring down airport fees and aeronautical charges to help the industry cope with the regional financial crisis...

At the end of a president's assembly here, the group also called on authorities to ensure that air traffic and airport services would be ready for the so-called millennium bug...

AAPA Director-General Richard Stirling said airport charges and aeronautical fees had become a major cost for Asian airlines...

On Thursday, airline executives said they were bracing for further slack passenger and cargo traffic next year...

A resolution approved during Friday's assembly called on airport operators, air traffic service providers and government authorities to help ensure the viability of the airline industry...

Airline executives called for a cut in such fees and urged governments and airport operators to follow the standards of the International Civil Aviation Organisation (ICAO).

Malaysian economy shrinks 8.6 pc

KUALA LUMPUR, Nov 29: Malaysia's economy shrank 8.6 per cent in the September quarter, the sharpest contraction in the current downturn...

Among the main components of Gross Domestic Product (GDP), a country's total output of goods and services adjusted for foreign income...

Agricultural output also declined, falling 8.6 per cent, but activity in the services sector grew 1.2 per cent...

Bank Negara Malaysia noted, however, that GDP grew 2.3 per cent from the June quarter, up fractionally from 2.2 per cent in the previous three months...

"Signs of recovery are emerging with latest indicators pointing towards gradual improvement in economic conditions, particularly since September," a statement said...

The measures included exchange controls to "insulate" Malaysia from the outside world along with steps to improve liquidity through additional cuts in interest rates...

"Latest indicators, including lower inflation, provide encouraging signs that the contraction in the economy has bottomed out and the economy is now entering the recovery phase," the statement said.

"Based on current developments, we can expect to see improvement in the economy from the fourth quarter onwards," it said, adding the government would remain "vigilant" while continuing to carry out structural change in the battered financial sector to help and sustain economic recovery.

Comparative data provided by the central bank showed the 8.6 per cent slump in Malaysia's GDP in the September quarter eclipsed the contractions in most of the other leading East Asian economies in the same period.

In Hong Kong, for example, GDP shrank 7.0 per cent while South Korea's economy contracted 6.8 per cent...

The Philippines suffered declines of less than one per cent... but Malaysia's downturn paled in comparison with Indonesia where economic activity plummeted 17.4 per cent.

Bank Negara said the 14.3 per cent plunge in manufacturing reflected declines in the production of construction-related materials, especially cement, iron and basic steel...

"In the bleak construction sector, the 28.2 per cent plunge was across the board, affecting residential, non-residential and civil engineering projects."

Logging activities also remain depressed due to lower demand and the contraction downturn, and rubber production also fell, albeit less sharply.

Services growth of 1.2 per cent was supported by communications and finance, the 1.7 per cent increase in mining output reflected higher production of crude oil and tin...

"European financial institutions, as a whole, will be a really tough challenge for China's still feeble financial sector," said Huang Yangxin, an official with the Bank of China.

"Wars will be declared in three fields against Chinese financial business," he warned pointing to the European, Chinese and emerging markets.

He added that the 11-member countries of the euro would "speak with one voice" and would "press China hard over financial market opening."

While the paper acknowledged that the euro would present "great opportunities" for Chinese companies by giving them access to a larger European capital market...

But "the euro will become a strong currency in the long-term" and long-term and large-sum loans may turn into heavy burdens for the Chinese government and banks in repayments.

During a visit to Beijing last month, European Commission President Jacques Santer said that Chinese Premier Zhu Rongji had expressed support for the euro, seen as a counterweight to the US dollar.

China's huge foreign exchange reserves, second only to Japan's 140 billion dollars will "sooner or later" reflect the emergence of the Europe, Zhou said.

"Some economists suggest that the proportion of the US dollar the euro and the Japanese yen should be 4-4-2 to reduce risks resulting from over-dependence on the US dollar," the China daily said.

On Friday, another government economist warned Chinese companies against negotiating commercial contracts in euros while the currency was in its early days to avoid exchange risks.

Chinese exports to be hit hard 'Euro will lead to a protectionist Europe'

BEIJING, Nov 29: China yesterday voiced concern that the advent of monetary union in just over a month will lead to greater protectionism in Europe and damage Chinese exports, reports AFP.

The official China daily quoted bankers and economists as saying that the launch of the euro on January 1 could harm Chinese industry by closing off European markets.

The single European currency "will make the European market more self-protective and closed," economist Zhou Wenming of the Ministry of Foreign Trade and Economic Cooperation was quoted as saying.

"Some of China's exports, labour-intensive products in particular, will be driven out of the European market because of tough competition from south European countries," Zhou told the official English-language newspaper.

The China daily added the euro would lead to numerous mergers and re-alignments in the European financial sector, resulting in aggressive giants on the international market.

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Exchange Rates

Table showing exchange rates for various currencies including US Dollar, GB Pound, D.Mark, F.Franc, C.Dollar, S.Franc, J.P.Yen, and others, with columns for Name of Currency, T.T. & O.D., and B.C.

Invitation for Bids

Dated: 25 November, 1998 Loan No. 1124-BAN (SF)

- List of bids and conditions for the construction of a 2.0 km Access Road from Mohammadpur to Mitford Hospital in Dhaka Integrated Flood Protection Project (DIFFP).

Pubali Bank earns Tk 70cr net profit

Star Business Report Pubali Bank Limited earned a net profit of Tk 70.02 crore in the year 1997.

This was revealed by the Chairman of the Board of Directors of the Bank, E. A. Chowdhury while addressing the bank's 15th annual general meeting held in the city yesterday, says a press release.

In his speech, the chairman highlighted the progress of the bank.

Directors, Managing Director, Deputy Managing Director and other executives were present at the meeting.



The 15th AGM of Pubali Bank Ltd

European bourses to merge

Eight of Europe's top stock markets have announced that they want to join forces and set up a Europe-wide exchange.

After a meeting in Paris, officials said they had a "strong commitment" to set up the new market and would issue an agenda to work out the details.

Stock Exchange officials from London, Frankfurt, Amsterdam, Brussels, Madrid, Milan, Stockholm and Zurich said they were hoping to create a "federal and competitive pan-European stock market."

One exchange, however, will be notably absent from future talks.

The chief executive of Stockholm's share market, Per Larsson, said in a statement that a Europe-wide exchange would not benefit the customers and would impair free competition.

Mr Larsson said this plan was a "political project" and a "reactionary" idea creating a European exchange monopoly.

The spurt to create the new stock exchange was triggered by the link-up of Europe's two largest bourses, Frankfurt and London, which was announced in July this year.

The Anglo-German market would have given companies access to more investors, making it easier to raise money. This could have persuaded more and more businesses and investors to abandon the other exchanges across Europe.

— CNN Internet

OPEC to take price-boosting steps at March meet

DUBAI, Nov 29: OPEC will adopt measures to try to bolster oil prices at the 11-member cartel's next meeting on March 23, United Arab Emirates Oil Minister Obaid Ibn Saif Al-Nasseri pledged yesterday, reports AFP.

"OPEC has decided to give itself a better chance to consult and evaluate the oil market before meeting towards the end of March to take measures to improve the situation," he told the official WAM news agency.

The comments came after the Organisation of Petroleum Exporting Countries failed Thursday in Vienna to agree any changes to current policy despite record low prices.

In Saudi Arabia, the newspaper Al-Jazirah (The Peninsula) blamed oil producing countries for failing to respect quotas.

"The answer lies quite simply in total respect for production quotas and for the (reduction) agreement recently reached between OPEC members and non-members," said the daily which carries government views.

"If they are not respected, market prices will continue to fall and producing countries will suffer," it added.

Kuwaiti Oil Minister Sheikh Saud Nasser Al-Sabah warned Thursday that the failure of the Vienna Talks "will not lead to stability and improvement on the markets."

In London, oil prices fell to a record low Thursday of 10.85 dollars a barrel, but on Friday morning Brent for January delivery traded at 11.05 dollars.

Al-Sabah told the official news agency KUNA that economic crisis in Asia, Russia and Latin America made it difficult to see any seasonal increase in demand.

"Oil ministers agreed in Vienna to maintain the current policy," he said, adding that "adequate measures" to end the slump would be taken in March.

The markets had been expecting as a minimum an extension of the output cuts of 2.6 million barrels a day agreed earlier this year.

The specialist Middle East Economic Survey (MEES) said last week that OPEC reduced output to 26.85 million barrels a day in October from 27.27 million in September, but this was still above OPEC's own forecast of demand for its oil net year of 26.5 million barrels a day.

New OPEC chief calls for production cut

DUBAI, Nov 29: Algerian Oil Minister Yousef Yousef, also the new president of OPEC, called on Saturday for an immediate cut in output by the 11-member cartel to stem plunging prices says AFP.

OPEC must reduce its production immediately by 1.5 million barrels a day, Yousef told Arabic newspaper Al Hayat.

Everyone knows that there is a large surplus on international markets. To achieve a balance, we must take out a million and a half barrels a day, and that must be done as quickly as possible, he said.

"We can't let prices fall to 10 dollars a barrel. That's unacceptable and is not in anyone's interest, he warned.

The price of a barrel of Brent crude closed above the 11 dollar level on Friday, despite an OPEC meeting in Vienna on Thursday that failed to take any measures to boost sagging prices.

The markets had been expecting as a minimum an extension of the output cuts of 2.6 million barrels a day agreed earlier this year, but the OPEC ministers postponed further decisions to their next meeting in March.

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OPEC's members are Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela.

Indian medicine exports to Russia to double

MOSCOW, Nov 28: Indian medicine exports to Russia would be doubled from next year.

This was decided at a meeting of the working group on pharmaceuticals working within the framework of the fifth session of the Indo-Russian Joint Commission that met here for three days.

Following this decision, Russian pharmaceutical imports from India, which is to the tune of \$100 million annually, is expected to reach an estimated \$200 million.

The former Soviet Union was India's largest foreign pharmaceutical market with annual Indian medicine export to that country reaching \$391 million in 1991 and accounting for one-fifths for the former Soviet Union's global medicine imports.

The break-up of the Soviet Union followed by market anarchy dealt a heavy blow to Indian exports to Russia with Indian medicine exports to that country nose-diving to barely \$53 million in 1993. Concerted efforts from both sides have somewhat augmented Russian medicine imports from India.

At present 'Bio-med', set up in collaboration with Dr.Reddy's Lab from India, is the only successful joint venture in the area of medicine manufacturing in Russia.

— India Abroad News Service

Prospects for Indian medicine exports brightened after many European pharmaceutical companies, who are the chief rivals of Indian traders in the Russian market, withdrew following the financial crisis that Russia plunged into in August this year.

"Stress-related illnesses and suicides are rising because of working conditions," Sekiya said. "People who thought they had permanent jobs are finding it difficult to cope with unemployment or change."

— CNN Internet

Asian crisis spurs suicides

SEOUL, November 28: As the Asian financial crisis lingers, taking its toll on jobs and savings, more people are cracking under the strain.

In downtown Seoul, officials have applied grease to the railings of a bridge in an attempt to cut down on the number of people who climb onto the railings and jump to their deaths. But even that has not deterred the most desperate.

Many Asian countries do not keep official figures for suicides, but counselors report a huge increase in demand for their services. During the past six months, the Samaritan Suicide Hotline in Hong Kong logged 56,000 calls -- 15,000 more than it received for all of 1997.

"Many (of the callers) have invested all of their financial resources in property or the stock market," said Francis Law of the Samaritan Hot Line. "All of a sudden, they have nothing. It is very difficult for them to cope."

"Hara-kiri" tradition Coping is that much harder in many Asian societies, where loss of face is taken more seriously than in most Western countries.

In Japan, where samurais took their own lives to avoid disgrace after a defeat, some corporate executives are preserving the "hara-kiri" tradition in the face of economic collapse. In a stretch of woods near Mount Fuji known as "suicide forest," dozens of bodies have been found this year.

— CNN Internet

Pak cotton output may rise this yr

KARACHI, Nov 29: Pakistan is expected to produce 10.2 million bales of cotton this year, up from 9.2 million bales in the previous year, officials said, reports AFP.

Exporters said they anticipated an exportable surplus of 1.5 million bales after meeting local demand. One bale contains 375 pounds.

"I think Pakistan can earn about 200 million dollars by exporting the surplus of 1.5 million," said leading exporter Shakoor Dada.

Dada said the worldwide cotton demand was expected to surge in the coming weeks. Market sources said Pakistan could get better prices as the US, China and India had reported below target cotton crops this year.

The Pakistan government has allowed the export of 500,000 bales this year, but said the limit would be raised after final crop estimates by the end of March. Cotton picking started this year.

Shaikh Mohammed Saad, Chairman of Pakistan Cotton Ginners Association (PCGA), said the government must restore the previous year's policy of free cotton trade to allow the growers better prices.

He alleged that textile mill owners were trying to bring down local cotton prices through "go slow" buying tactics.

M A Hashem, Managing Director of Janata Bank, opens a new branch at Gandaria in the city yesterday. Md Aminul Islam, Deputy Managing Director, Nurul Islam Mollah, General Manager, other executives and valued clients of the bank are also seen in the picture. — Janata Bank photo

French firm to buy London Electricity

LONDON, Nov 29: Electricite de France (EDF), the French utility, is poised to buy London Electricity after a 1.9-billion-pound deal with its US parent energy was signed late Friday and was expected to be announced Monday, the Times reported Saturday, says AFP.

The financial Times said EDF accepted a bid by EDF of more than two billion pounds.

Bankers expect details of the agreement to be concluded during the next few days, the paper said.

EDF reportedly beat off strong competition from British Energy Plc, a private company which runs half of Britain's nuclear power plants.

According to the Financial Times, EDF had initially bid less than two billion pounds for the company, but increased this to win the battle. EDF, in which the French government holds a majority stake, is Europe's prime producer and provider of electricity, with 17 per cent of its electricity exported to neighbour countries.

Advertisement for Mdlutfur Rahman Mian, Chief Engineer, Bangladesh Water Development Board, Elite House (6th floor), 54 Motijheel C/A, Dhaka-1000. Includes contact information and phone numbers.