

'Social impact of Asian crisis crosses forecast'

HONG KONG, Dec 2: The social fallout from the Asian financial crisis is exceeding initial forecasts and risks dramatically worsening, the International Labour Organisation (ILO) said yesterday, reports AFP.

The Geneva-based group predicted a further 10 to 20 per cent of the population in the worst affected countries would be plunged into poverty as a result of the turmoil.

"There are also indications that the adverse impact on the labour markets of these countries has been more widespread than what is shown by the unemployment figures alone," it said in a report on the impact of the crisis on the region's workforces.

Pointing to South Korea alone, the ILO said the labour force participation rate fell by some 1.6 million workers between the second quarter of 1997 and 1998, or almost the equivalent of the total number of workers registered as unemployed in July this year.

The ILO urged governments to take "unprecedented" emergency measures to help alleviate the crisis, in particular taking immediate action to establish unemployment insurance.

It argues full employment in Asia is unlikely to return any time soon, and rejected claims social welfare programmes are too costly.

Colombo airport switches over to departure control system

Airlines operating from Colombo's Bandaranaike International Airport are now using MACS, the check-in and departure control system provided by Dubai-based software house and systems provider, Mercator, says a press release.

Air Lanka, the ground handling company at the Bandaranaike International Airport, began the implementation with Emirates, the international airline of the UAE, on October 27. By November 19, all 20 airlines operating from Colombo, including national carrier Air Lanka, were on this advanced service.

MACS (Mercator Airport Control System) enables faster and more accurate check-in processes, resulting in improved passenger services at Colombo. Through check-in services will provide passengers with onward boarding cards on many other international airlines with which they are connecting.

Hugh Pride, Senior General Manager, Mercator, said: "MACS is the comprehensive check-in solution for busy international airports such as Colombo. It offers the ground handlers efficient and accurate boarding and load control of the aircraft. At the same time, it provides passengers with an end-to-end seat allocation throughout their journey. No more queuing and stress when transferring flights and less work for ground handlers in intermediate airports too."

Asian-Pacific airports suffer 5pc fall in passengers

GENEVA, Dec 2: Airports in Asia and the Pacific suffered a five per cent fall in passenger traffic in August, the only region worldwide to post such a decline that month, an industry group said yesterday, reports AFP.

About 40.67 million passengers passed through Asia/Pacific airports in August, 5.1 per cent less than in the corresponding 1997 period, the Airports Council International (ACI) said.

ACI has a membership of 528 international airports and airport authorities running around 1,300 facilities in more than 100 countries.

Passenger growth was strongest in Latin America and the Caribbean, increasing nine per cent to 10.87 million.

Europe saw a 6.4 per cent rise in air passenger traffic to 89.8 million. North America a 0.8 per cent increase to 117.4 million, the Middle East a 3.6 per cent rise to 6.23 million, and Africa a 2.1 per cent rise to 6.38 million.

Training course for Dhaka Bank officers ends

Star Business Report

The 11-day foundation training course on Banking for the officers of Dhaka Bank Limited ended Saturday, says a press release of the bank issued yesterday.

Abdul Hai Sarker, Chairman of Dhaka Bank distributed certificates among the officers who took part in the training course. A total of 16 officers from the bank's Dhaka and Narayanganj branch attended the course.

To gather knowledge and develop career, Abdul Hai Sarker advised the fresh officers to comply with banking rules and regulations and follow the guidelines they received during the training course.

In his speech Ashfaque U. Chowdhury, Managing Director of the bank, reminded the trainees of different objectives of the bank. He stressed on distributing quality product and services through state-of-the-art technology in all spheres of banking.

WEF summit on India ends Sinha angrily defends economic policy

NEW DELHI, Dec 2: Indian Finance Minister Yashwant Sinha launched an angry defence of his economic policy yesterday, lashing out at critics of the government's handling of the fiscal deficit, reports AFP.

"India is not in trouble," Sinha said on the final day of an international India economic summit organised by the World Economic Forum (WEF), during which several keynote speakers raised serious doubts over India's economic health.

Among the doubters was WEF Managing Director Claude Smadja, who warned Monday that India faced an economic crisis due to a yawning fiscal deficit which in one respect negated its sweeping market reforms of 1991.

"The best contribution friends can make is by keeping their counsel to themselves," he told summit delegates.

"I think it's very unfair for anyone to stand up and say 'you will not be able to control the fiscal deficit.'

"How do they know? how does anyone know what my plans are ... I have not gone public with them yet."

In his budget earlier this year, Sinha set a deficit target of 5.6 per cent for the year ending next March 31, compared to 6.1 per cent the previous fiscal year.

In his report on Monday, Smadja said there were strong indications of the figure slipping to six per cent or even seven per cent of gross domestic product.

Smadja said this meant, "to put it bluntly, that after seven

years of economic reform, India is almost back to where it stood in 1991 with respect to its budget problem."

For his part, Sinha warned critics against creating panic with loose statements and highlighted India's relatively strong economic standing compared to its Asian neighbours.

He also sought to dismiss foreign investors' concerns over growing political instability in India, following the recent crushing defeat of the ruling Hindu nationalists in state elections that sparked speculation of a change of government.

The minister insisted that cross-party consensus was greater than ever on economic policy, and argued the reforms launched in 1991 would be carried through no matter who was in government.

"There is absolutely no question of anyone coming to power to change those policies," he said, while admitting that "a lot of convincing remains to be done" to allay foreign investors' fears.

"Nevertheless, if anyone has any doubts about our credentials, let me point out that India has never, never defaulted on a single external commitment," he added.

Indian tariffs highest in the world: WTO

NEW DELHI, Dec 2: India runs the risk of hampering exports and raising costs at home by keeping its import tariffs among the highest in the world, a senior World Trade Organisation (WTO) official said Tuesday.

Smadja said this meant, "to

days, reports Reuters.

"The liberalisation of India's trade and industrial policy during the 1990s has been striking, both in its breadth and its rapidity," said WTO Deputy Director General Anwarul Hoda.

"By the standards of India's economic policies in the past, these are indeed impressive achievements. But by the standards of today's world there is still some distance to go," he told a session of the India economic summit organised by the World Economic Forum and the Confederation of Indian Industry.

Hoda reeled off figures comparing Indian tariff levels for five categories of industrial goods with those of selected developing and industrialised countries to paint a "picture of tariff protection" in India.

Industrial products as a whole, the simple average tariff for India was 35 per cent, almost three times that of Argentina and Brazil, and more than six times that of the European Union and the United States.

Hoda said the percentage of tariff lines having duties above 35 per cent was almost 40 for India against zero to two for other countries.

The WTO official cited tariff levels for iron and steel, mineral oils, chemicals, machinery and textiles and clothing to show a yawning gap between India and the rest of the world.

Hoda's figures were based on tariffs prevailing before India's 1998/99 budget, which introduced a special extra customs duty of four per cent.



Malaysia Prime Minister Mahathir Mohamad gives a thumbs up after trying the first Malaysia-made SME MD3-160 two-seater aerobatic aircraft Tuesday in Kuala Lumpur. Mahathir yesterday described the exportation of Malaysia's first two-seater plane "Aerotiga" to the United States as another milestone in Malaysia's industrialisation.

—AP/UNB photo



First passenger to check-in on the Mercator Departure Control System at the Emirates Desk in Colombo's Bandaranaike International Airport. Senior Management from Emirates and Air Lanka look on.

—Emirates photo

Oil hits new low as traders grapple with bleak outlook

LONDON, Dec 2: Brent crude oil opened at a new historic low point yesterday as traders grappled with a bleak outlook for the market, underlined by new oil industry mergers in a bid to cut costs, reports AFP.

Brent for January delivery, the reference North Sea crude oil, opened at a record low 10.44 dollars a barrel, and by late morning had dropped to 10.41 dollars.

It had closed on Monday at 10.46 dollars a barrel after touching 10.08 dollars during trading.

Oil is in a prolonged slump caused by oversupply and lack of demand in the wake of the Asian recession, but what is worrying the markets now is the apparent lack of any good news for prices on the horizon, analysts said.

"It is all really very depressing," said LEO Drollas of the Centre for Global Energy Studies.

"Merger talks between the world's largest energy group, Exxon, and Mobil, the second-

biggest US oil group, are going at a fast pace and might be finalised as early as Tuesday."

Princes were hit further last week when the 11-nation Organisation of Petroleum Exporting Countries (OPEC) ended a key meeting without agreeing to extend production cut or agree on any other measures that could curtail the glut.

A resumption in output in Nigeria and the mild US weather had come on top of the OPEC meeting's failure to take any definite action.

The Oil Department Director at Salomon Smith Barney, Peter Gignoux, said that disappointment over the OPEC meeting was still weighing on the price, particularly as between now and the next meeting in March there is plenty of time for more bad news to hit the market.

OEPC had a good chance to take action in Vienna last week, and the fact that they failed to do so suggested the 11-member cartel is "not the force it used to be," Drollas said.

It is worrying because we thought it (the price) was bump-

Hoechst, Rhone-Poulenc merger creates Aventis

Jean-Rene Fourtou, Chairman of Rhone-Poulenc SA, and Jürgen Dörmann, Chairman of Hoechst AG, announced yesterday their common intention to merge their life sciences activities into a new company, called Aventis, equally owned by Hoechst (NYSE:HOE) and Rhone-Poulenc (NYSE:RP).

Aventis will comprise the pharmaceutical and agricultural businesses of both groups. It will be incorporated in France, with global headquarters in Strasbourg.

The agreement announced today launches the procedure for the first phase of a two-step plan which will eventually lead to a full merger of Hoechst and Rhone-Poulenc after the divestment of their remaining non-life sciences assets, says a press release.

With 1997 pro forma sales of US \$20 billion and 95,000 employees, Aventis will be a global leader in life sciences holding top positions in both pharmaceuticals and agriculture.

Aventis' 1997 pro forma consolidated EBITDA (Earnings Before Interest, Tax Depreciation and Amortisation) would have been \$3.8 billion.

Representation of euro France, Germany, Italy to take leading role

BRUSSELS, Dec 2: France, Germany and Italy yesterday ensured that they will take the leading role in representing Europe's single currency as it makes its debut on the world stage, reports AFP.

Under an accord between finance ministers from the 11 countries that will adopt the euro next month, the single currency will normally be represented in international economic forums such as the Group of Seven (G7) by two ministers.

One will be drawn from one of the big three countries, who are permanent members of the G7 and would be in the talks anyway, the other will come from the country that holds the rotating presidency of the eurozone.

In talks involving central bankers, the euro will also be represented by the European Central Bank.

Exchange Rates

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

Currency	Selling TT & OD	Buying TT	Selling BC	Buying OD	Selling TT & OD
USD	48.7050	48.7450	48.3100	48.1570	48.0850
GBP	80.7237	79.5617	80.7900	79.3098	79.1912
DEM	28.9911	28.5807	29.0149	28.4902	28.4476
JPY	0.4014	0.3948	0.4017	0.3935	0.3929
FRF	8.7152	8.4613	8.7224	8.4345	8.4219
SAR	13.0210	12.8460	13.0317	12.8053	12.7862
MYR	12.4497	12.3457	12.4610	12.2562	12.2965
AED	13.2972	13.1167	13.3081	13.0751	13.0556
KWD	166.1436	154.0252	166.2801	153.5374	153.3078
QAR	13.4229	13.2356	13.4339	13.1937	13.1740

Bill buying rates:

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6667	45.6945

US dollar London Interbank Offered Rate (LIBOR) as of December 2, 1998					
Buying	Selling	Currency	1 Month	3 Months	6 Months
Cash	48.0650	48.7050	USO	562	537
T.C.	48.0650	48.7050	GBR	700	684
				600	580

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit		