

'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 Fride, 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 160 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, Ashfaq 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 earned 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.

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.

day, 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 Industries.

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Malaysia Prime Minister Mahathir Mohamad give thumb 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

Pakistan raises sales tax by 2.5 pc

ISLAMABAD, Dec 2: The cash-strapped Pakistani government Tuesday partly implemented its 5.5 billion US dollar draft deal with the International Monetary Fund (IMF) by revising the rate of sales tax from 12.5 per cent to 15 per cent, reports Xinhua.

The rate has been enhanced under the sales tax second amendment ordinance 1998, promulgated by the President of Pakistan with immediate effect, the Central Board of Revenue (CBR) said Tuesday.

Upward revision in sales tax by 2.5 per cent will enable the CBR to fetch an amount of over 6.5 billion rupees (141 million dollars) in the remaining seven months of the current fiscal year, it said.

The government agreed to enhance the rate of sales tax from 12.5 per cent to 15 per cent during the talks with the IMF mission on an agreement on financial package of 5.5 billion dollars.

The enhancement in the rate of sales tax will provide cushion against the shortfall in revenue collection mainly owing to less collection under customs duty, officials said.

Sales tax has been a burning issue and threathad discussions were held between the government and the business community time and again during the first five months of the current fiscal year.

Dollar slips against yen

TOKYO, Dec 2: The dollar slipped against the yen in Tokyo today pulled down by concern over fading Wall Street share prices, dealers said, reports AFP.

At 3:00 pm (0600 GMT), the US unit traded at 121.72-75 yen, from 121.82 yen in New York and 122.77-80 yen here late Tuesday. The currency's low so far was 121.51.

Hoechst, Rhone-Poulenc merger creates Aventis

Jean-Rene Fourtoul, Chairman of Rhone-Poulenc SA, and Jurgen Dornmann, 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.

With a combined R&D budget of almost \$3 billion, it will have one of the most competi-

tive innovation capabilities in the industry. Through the merger, Aventis will acquire one of the leading marketing and sales forces in the world.

Profile of Aventis: Focus on Delivering Growth

Aventis' positioning in life sciences will allow the company to take full advantage of the technological and business synergies between pharmaceuticals and agriculture.

Aventis' 1997 pro forma consolidated sales would have amounted to \$20 billion, with pharma accounting for 72 per cent and agriculture for 28 per cent. From a geographical breakdown standpoint, Europe would have accounted for 42 per cent of the US for 25 per cent Asia for 14 per cent and the rest of the world for 19 per cent.

Aventis' 1997 pro forma consolidated EBITDA (Earnings Before Interest, Tax Depreciation and Amortization) 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 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 euro-zone.

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

The "tandem" formula, which ends months of dispute over the issue, is designed to address fears in smaller countries like Belgium that they will have little say in discussions on questions.

In practice, however, the role of "spokesman for the euro" will be dominated by the France, Germany and Italy.

In the first six months of next year, Germany will hold the presidency of the euro group as well as being the designated representative of the big three. France will fill this double role in the second half of 2000.

As a result, the smaller countries will only be fully involved for 12 of the first 24 months of the euro's existence.

The small countries will also not be able to count on the European Commission as a counterbalance to the power of the big countries.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.						
Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying 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	12.2865	
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	45.8945	

US dollar London Interbank Offered Rate (LIBOR) as of December 2, 1998						
	Buying	Selling	Currency	1 Month	3 Months	6 Months
Cash	48.0850	48.7050	USD	5/2	5/2	5/2
T/C	48.0850	48.7050	GBP	7/0	6/4	6/5

Exchange rates of some Asian currencies against US dollars						
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won	
42.545/42.555	53.84/53.94	35.935/36.135	3.8000/3.8002	7450/7500	1237/1240	

Amex notes on Wednesday's market
The USD/BDT market remained stagnant despite the sale of USD picking up a little. Most of the transactions was made at the 48.6515-48.6535 level.

The call money market was active the call rates fell slightly to the 7.75-8.30%.

The dollar was more against the mark and yen by midsection European trading on Wednesday as profit-taking set ahead of the Dow open amid expectations the Bundesbank will leave German interest rates on hold. The German central bank holds its regular meeting on Thursday and analysts forecast the repo rate will be left at an unchanged 3.30 per cent. "There is some profiteering going on and in these thin markets it is having a large impact. Last week some people were expecting a German rate cut, that has changed," said Audrey Childe-Freeman, European economist at CIBC World Markets.

Sterling/mark was off overnight highs in European morning trade on Wednesday, with some dealers expecting a small and short-lived recovery after two days of heavy falls against the German currency. Tracking dollar/mark's overnight rise following a rally in the Dow Jones industrial average rally on Tuesday, sterling settled just below 2.78 marks in European morning trading. At 0915 GMT, it was at 2.7778/83 marks, little changed from 2.7780/91 in late trading on Tuesday but off from a three-week low of 2.7720.

partly because of a flow of weak data on the British economy's manufacturing and services sector, sterling has fallen from levels above 2.82 marks since Monday.

Gloomy surveys have fanned speculation that the Bank of England's Monetary Policy Committee (MPC) will further trim the 6.75 per cent repo rate at its last meeting of 1998 on December 3-10, that talk on easier UK interest rates has added to pressure on sterling, analysts said.

The latest economic barometer on Wednesday showed Britain's construction industry shrank for the third month in a row in November. The survey by the Chartered Institute of Purchasing and Supply (CIPS) put its construction activity index at 45.8 against 45.7 in October. Any figure below 50 denotes contraction. The survey was of limited importance because construction is a small slice of the British economy. Markets are more focused on the CIPS services sector survey out on Thursday. One key pointer to the state of the UK economy, house prices is inconclusive about the extent of the slowdown. Halifax, the country's largest mortgage lender, said on Wednesday prices fell in November, compared with a 1.3 per cent rise the previous month, but the underlying trend remained one of moderately rising prices. Sterling was close to one-week lows against the yen, trading at 200.08/78 yen at 1100 GMT compared with 201.92/2.04 in late European trading on Tuesday.

At 1:00 GMT USD was at 1.6862/67 DEM, 122.34/122.44 JPY, 6.6553/6573 FRF, 1.3832/3842 CHF, and GBP at 1.6490/6496 USD.

Shipping Intelligence

Chittagong Port						
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Trono	GI	Cal	Everett	30/11	4/12
J/2	Penguin	GI	Yang	SMSL	19/11	3/12
J/3	Cosmic	Weat(G)	Newo	OWSL	23/11	2/12
J/4	Sun Bright	GI	Sing	Seaglor	14/11	3/12
J/5	Surabaya Express	GI	Sura	BNSC	18/11	5/12
J/6	Golden D	Wheat(P)	Darb	Rainbow	16/11	4/12
J/7	Robin	Sugar(G)	P.Darb	Seacom	21/11	5/12
J/8	Global Jane	Wheat(G)	Mong	Ancient	R/A	10/12
J/9	Darin Naree	Wheat(P)	Capit	Total	17/11	10/12
J/10	Kota Singa	Cont	Sing	PH(BD)	28/11	4/12
J/11	Mariaspes	Wheat(G)	Sing	SSST	20/11	5/12
J/13	Sea World	Hald	CN	CN	26/11	2/12
CCT/1	QC Pintail	Cont	Sing	QCSL	27/11	2/12
CCT/2	QC Teal	Cont	Sing	QCSL	28/11	3/12
CCT/3	Acacia	Cont	Sing	ISL	25/11	3/12
RM/11	Sehal Deval	C.Clink	Jaka	PSAL	R/A	7/12
RM/15	Kwan Mo Bong	Cement	Tanj	USTC	8/11	3/12
CGJ	Corali	C.Clink	Sing	Delmure	22/11	5/12
GSJ	Silver Star	Wheat(G)	X.Dia	Ancient	R/A	30/11
RM/4	Al Swamuz	C.Clink	Cica	ASLL	30/11	12/12
DDJ	Nidia	HSD	Sing	MSTPL	21/11	2/12
DD	Banglar Mamata	Repair	Para	BSC	R/A	7/12
DDJ/1	Tanary Star	IDLE	Para	PSAL	7.6.95	30.12.98
DDJ/2	Princes		Hame	B.Bay	11/11	

Vessels due at outer anchorage:						
Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port	
Morning Star	2/12	Darb	Rainbow	R Seed	-	
Morretes	2/12	Baha	AHZ	Scraping	-	
Motos	3/12	USA	OTL	In Ballast	-	
SS Juneau	2/12	USA	SSST	Wheat(G)	-	
Karunia Pacific (48)	30/11	3/12	Prick	Litmond	-	
Arkis Blue (48)	26/11	4/12	Com	Sunshine	GI (St. Coll)	-
Yasmina	4/12	Yang	SMSL	GI	-	
Kinabalu Enambelas	4/12	Cal	MBL	Urea	-	
Joy World (48)	26/11	4/12	Jaka	MSTPLGI (CR Coll)	-	
Al Muztuba	4/12	Kara	CLA	Rice(P)	411	GI
Prosrich 25/10	4/12	Sing	QCSL	Cont	L/Sing	
Jurong Balsam 26/11	4/12	Sing	NOL	Cont	L/Sing	
Kota Berjaya 24/11	4/12	Sing	PH(BD)	Cont	L/Sing	
Kimdong	5/12	Kaki	MSL	Rice(G)	-	
Martina	5/12	-	USTC	Cement	-	
Meraks	5/12	-	USTC	MONG	-	
Richmond (Cont)	19/11	6/12	Sing	QCSL	Cont	L.Sing
Teresa Prestige (48)	1/22	5/12	Sing	Everett	GI	
Diligence Cont	29/11	5/12	Sing	QCSL	Cont	L.Sing

Tanker due						
Zee Brugge	3/12	Hald	MBL W/LDAmmonia			