

Asian currencies
weaker against
dollar

SINGAPORE, Dec 28: Asian currencies opened mostly weaker today in tandem with the lacklustre yen after a series of dismal government reports at the weekend highlighted Japan's deepening economic woes, reports AFP.

"Most of them are tracking the yen which fell because of the bleak economic outlook portrayed for the Japanese economy, including unemployment woes," said Alison Seng, analyst at US research house Standard and Poor's here.

It was reported on Friday that Japan's seasonally-adjusted jobless rate rose to a record 4.4 per cent in November, the highest since the government began compiling the data in 1953.

The yen dipped today to 116.80 against the dollar in Tokyo's trading close of 116.15 on Friday.

The foreign exchange market here was closed for Christmas on Friday, apart from the normal weekend holiday.

The Singapore dollar fell to 1.6597 against the US dollar from Thursday's close of 1.6590, the Philippine peso to 39.04 from 38.95, the Taiwan dollar to 32.260 from 32.243, the South Korean won to 1,209.00 from 1,206.30 and the Thai baht to 36.52 from 36.48.

The Indonesian rupiah rose up 7.825 against the greenback from 7,860.

HK industrial
output, exports
decline

HONG KONG, Dec 28: Weaker demand for Hong Kong products led to a sharp decline in exports and industrial production, while the territory's trade deficit narrowed, the government said Monday, reports AP.

Exports fell by 9.3 per cent in November, compared with the same month last year, to 113.1 billion Hong Kong dollars (US \$14.5 billion).

The slackened demand for Hong Kong products took a toll on industrial production, which fell by 10.2 per cent in the July-September quarter, compared with the same period a year earlier.

Output of the food, beverage, and tobacco industries fell by 15.8 per cent. Basic metals and fabricated metal products' output also fell by 14.7 per cent. Production in the textile industry also fell sharply, by 13.2 per cent.

A government spokesman attributed the export decline to a plunge in demand from Japan, other East Asian economies hit by the regional financial turmoil, and, in recent months, a drop in European and US demand.

For the first 11 months of the year, exports fell 6.9 per cent and imports, hit by falling domestic demand, dropped 11 per cent, an economic report said.

Products that come in from mainland China — and then are re-exported elsewhere — were off by 8.2 per cent, while domestic exports fell by 15.8 per cent in the first 11 months of 1998. The Chinese-made products make up the majority of Hong Kong's exports.

Exports to mainland China also continued to fall, the government said.

Meanwhile, week domestic demand led to a smaller trade deficit of 74.7 billion Hong Kong dollars (US \$9.6 billion) in the 11-month period, compared with a 145.8 billion Hong Kong dollar (US \$18.7 billion) deficit in the same period last year, the report said.

The November deficit amounted to 700 million Hong Kong dollars (US \$89.7 million), or just 0.6 per cent of the value of imports.

The decline in industrial production was also partially due to the relocation of production to mainland China, the government said.

Anglogold buys
Minorco gold
interests

JOHANNESBURG, Dec 28: South African firm Anglogold, the world's largest gold producer, has taken over the gold interests of international mining house Minorco for \$50 million, the company announced yesterday, reports AFP.

The acquisition comes into effect from December 31 and will add an estimated 800,000 ounces of gold to Anglogold's production, the group said in a statement.

A total of 350 million dollars of the purchase price would be met through a syndicated bank loan and the rest from the group's cash resources, it said.

Minorco's Gold interests are spread in North and South America and include Pikes Peak Mining Company, which owns a 66.7 per cent stake in Cripple Creek and Victor Mine of Colorado Springs in the United States.

Minorco owns the entire shareholding of Morrovelho near Belo Horizonte, Brazil, and a 46 per cent stake in Cerro Vanguardia in the south of Argentina.

The acquisition is subject to approval by Anglogold shareholders and the South African Reserve Bank.

It is expected to decrease the company's earnings per share by five per cent and increase the net asset value per share by 10 per cent.

Pak stock market
may recover
next year

KARACHI, Dec 28: Analysts expect Pakistan's stock market to stage a recovery in 1999 after a year in which it was buffeted by the Asian crisis and the country's own economic woes — including the fiscal fallout from May's nuclear tests, says AFP.

Foreign investors pulled an estimated 250 million dollars out of the market this year, they said. The Karachi Stock Exchange (KSE) 100-index fell from 1,750 at the beginning of the year to 950.

Now analysts said there were signs of a recovery.

They cited the agreement by the United States to reimburse 326 million dollars paid by Pakistan for undelivered F-16 Jets and an expected 5.5 billion dollar bailout package from the International Monetary Fund.

"I think these two factors coupled with good food and cash crops will increase the country's falling foreign exchange reserves and help the stock

market in 1999," one broker, said.

Arif Habib, a former exchange president, said the most disturbing developments of the year were the Asian economic crisis, a followed by the atomic tests.

Declines in Southeast Asian stock markets triggered panic selling in Pakistan early this year, pushing the market down 12 per cent.

The nuclear tests in May, in response to India's, brought international sanctions and the suspension of loans from the International Monetary Fund.

In July the KSE-100 index plunged to a record 750 low.

Foreign exchange reserves dropped from 1.43 billion dollars before the nuclear blasts to 415 million dollars in November.

Habib said a tussle between the government and independent power producers also hit the stock market.

"These factors caused an outflow of more than 250 million dollars by foreign investors form the Pakistani stock market as the KSE-100 index fell by 45 per cent during the year," he said.

Osama Bin Shoaib, a dealer at ABN-Amro Securities, said the outflow of foreign investment would have been much higher had Pakistan not imposed foreign exchange restrictions.

He said the mishandling of the powers issue triggered selling by foreign investors, which hit blue chips.

One brokers said the devaluation of the Pakistani rupee on June 27 and the drastic depletion of foreign exchange reserves also shook the confidence of foreign investors.

Brokers said most of the capital flight occurred between August and October as foreign investors used unauthorised means to transfer funds.

China gives green
light to euro

BEIJING, Dec 28: China made trading in the euro official Monday, announcing authorisation for the European Common currency's use in trade and financial dealings starting Jan. 1, reports AP.

The expected announcement from the central People's Bank of China and the State Administration of Foreign Exchange, carried by the official Xinhua News Agency, also authorised the opening of euro accounts.

"Financial institutions, enterprises and individuals in China can accept and use the euro in economic, trade and financial dealings with 11 members of the European Union effective January 1, 1999," Xinhua reported.

"In addition, they can convert, use and open the euro accounts," it said.

Chinese officials have said the government may convert a proportion of its \$145 billion worth of foreign exchange reserves into the euro after the currency's Jan. 1 debut.

The 11 countries launching the common currency are Austria, Belgium, Ireland, Italy, Finland, France, Germany, Luxembourg, the Netherlands, Spain and Portugal.

Meanwhile, an AFP report says: Beginning on January 1, European monetary union will apply not just to metropolitan

France but to its departments in far-flung corners of the earth as well.

The Caribbean islands of Guadeloupe and Martinique, French Guiana on the South American mainland and the Indian Ocean Island of Peunion have the status of overseas department (DOM) and presently use the same money — francs and centimes — as metropolitan France.

The same is true of Mayotte in the Comoros archipelago and Saint Pierre and Miquelon off the coast of new found land in Canada, and on January 1 all will enter the euro-zone along with France.

The Pacific franc is presently worth 0.055 French francs and on January 1, the French authorities will be obliged to set a conversion rate for the Pacific franc against the euro.

Up to now, the role of the Bank of France, the French central bank in the DOMs, was exercised through the Overseas Department's Currency Emission Institute (IEDOM), the launch of the euro will turn in IEDOM into a private subsidiary of the Bank of France.

The project has aroused the ire of the IEDOM staff, who say it poses a threat to jobs.

Economic crisis a blow
to fur farms

CHURLOVICH (Belarus), Dec 28: Late in the year always has been the slaughter season at Belarusian fur farms, but the economic crisis in the former Soviet republics made this year a bit different, reports AP.

With sales of fur hats and coats down, the Voikov collective farm just outside the capital, Minsk, couldn't afford to feed its polar foxes and minks.

So it has slaughtered most of them rather than watch them starve.

The farm is trying to move the pelts at fire-sale prices, but the result is reduced breeding stocks.

"We had to do it, because the farm had huge debts to the meat plants that were supplying food for our fur animals," said Yuri Mikhailov, manager of the farm. "We had to slaughter so many animals in order not to torture them any longer."

The farm had 1,143 polar foxes and 845 minks, and killed all but 400 foxes that they will use to rebuild the stocks.

On a recent day, the slaughtered animals were laid out in rows on the ground or piled high in the back of trucks at the rundown farm. Watchdogs barked fiercely to warn off visitors, but most of the cages they were protecting were empty. Young silver polar foxes, among the few that survived, bared their small, sharp teeth and also barked.

The farm's foxes and minks long have fed the big demand for fur coats and hats in Russia, Belarus and other former Soviet states.

Although expensive, fur is not only for the elite. Many middle-class Russians and Belarusians also own coats, and most consider them necessities in the harsh winter.

"Our people want to impress their neighbours, friends, relatives with crystal, furniture and furs, which some of them buy at the expense of eating properly," said Maxim Kapran, a member of Belarus' Youth Ecological Movement.

Primakov hails speedy
budget approval

MOSCOW, Dec 28: Prime Minister Yevgeny Primakov on Saturday praised Russian lawmakers' speedy initial approval of the draft 1999 budget, calling the vote "a victory for common sense," reports AP.

Russia's lower house of parliament, the State Duma, showed widespread support for Primakov's government by voting in favour of the 1999 budget's first draft on Thursday.

Primakov had said the government needed a budget as soon as possible to turn around Russia's economic slide and begin paying billions of roubles (dollars) in unpaid salaries.

The budget passage is "a victory for common sense," he said, according to the ITAR-Tass news agency.

"We are finding a common language, a common approach. And we will further work intensively with the lawmakers," he said.

The regional governors make up Russia's upper house of parliament, the Federation Council, which must also approve the budget. In the past, the Duma, not the governors, have put up the strongest fight over the budget.

Primakov sounded optimistic about avoiding a standoff with the governors, and said the budget now calls for the federal government to split revenues down the middle.

"We have approached a balance on interests and an optimal distribution of revenues between the federal center and regions," Primakov said, according to ITAR-Tass.

Russia's economy plunged in August when the government stopped propping up the rouble and defaulted on some of its domestic debt.

State employers haven't paid many wages on time for years, and the latest crisis only worsened the problem.

Civil war, oil price slump
Angola pushed further
towards collapse

LUANDA, Dec 28: The virtual resumption of the civil war in Angola and the fall in the price of oil, the country's main resource, have pushed the national economy further towards collapse, reports AP.

Officially classed as a "least developed country" by international agencies, Angola has failed to eliminate the effects of a Marxist regime and endemic corruption.

Agricultural and industrial output has been severely hit by the war. President Jose Eduardo dos Santos and the National Union for the Total Liberation of Angola (UNITA) of Jonas Savimbi, which has been raging off and on since independence in 1975.

UNITA only partially complied with a peace accord signed in Lusaka in November 1994, and fighting has flared again in the past month, sending millions of people fleeing their homes.

With oil accounting for the bulk of its revenue, the government is faced with declining revenues to fund both the civil war and its foray into the neighbouring Democratic Republic of Congo, where it has sent troops to help President Laurent Kabila against a rebel movement.

For 1998 income from tax on oil is expected to fall by 450 million dollars, and a western analyst forecast growth of mi-

nus four per cent for the non-oil sector.

Agricultural output in a country which is potentially among the wealthiest in Africa is insufficient to feed the population, and the estimated deficit for the 1988-89 season is 470,000 tonnes.

Many inhabitants depend on handouts from the World Food Programme and other agencies.

Investments in industry meanwhile are directed principally at oil-related enterprises, and a privatisation programme is making little progress.

The other main source of mineral wealth, diamonds, has been in UNITA hands for most of the civil war, some mines were given up by the rebels under the Lusaka accord, but the resumption of fighting threatens their production once more.

This year output of diamonds by government-controlled mines is estimated at less than 400 million dollars, compared with 500 million for those operated by UNITA.

Analysts are generally pessimistic about the situation in Angola, fearing widespread unrest amid an unemployment rate of 55 per cent. Many of those in work are employed by the state in an over-inflated bureaucracy.

And with a public deficit of 1.3 billion dollars there is little chance of putting funds into much-needed public welfare.

Exchange Rates

Standard Chartered Bank's foreign exchange rates (indicative) against the Taka Monday, December 28, 1998									
Central Bank USD/BDT Rate: Buying - BDT 48.35/Selling - BDT 48.65									
Selling		Currency		Buying					
TT/OD	BC			TT Clean	OD SIGHT	DOC	OD TRANSFER		
48.7100	48.7500	USD	48.3150	48.1549	48.0708				
81.8182	81.8854	GBP	80.1642	79.8986	79.7590				
29.0719	29.0859	DEM	28.5634	28.4687	28.3687				
0.4209	0.4231	JPY	0.4102	0.4089	0.4082				
35.6719	35.7012	CHF	34.9729	34.8570	34.7207				
25.7820	25.8032	NLG	25.3649	25.2808	25.1970				
29.4873	29.5116	SGD	28.9676	28.8716	28.7694				
8.6576	8.6647	FRF	8.5328	8.5045	8.4851				
31.6525	31.6785	CAD	30.9731	30.8705	30.7574				
6.0622	6.0672	SEK	5.9630	5.9432	5.9306				
30.0784	30.1031	AUD	28.9165	28.8207	28.6261				
57.188	57.8663	ECU	55.4415	55.2577	55.0170				
6.2973	6.3025	HKD	6.2294	6.2087	6.2003				
13.0223	13.0330	SAR	12.8446	12.8020	12.7899				
Usance Export Bills									
TT	30	60	90	120	180	240	360	480	600
DOC	days	days	days	days	days	days	days	days	days
48.2154	47.9179	47.5208	47.0641	46.5677	46.0558	45.5458			
Exchange rates of some Asian currencies against US dollar									
Indian Rupee	Pak Rupee	Thai Baht	Mal. Ringgit	Indo. Rupiah	Sing. Dollar				
42.49	51.45	36.40	3.79	7775	1.6594				
.62	51.55	36.49	3.802	7850	1.6604				
US dollar									
Buying	Selling	1 Month	3 Months	6 Months	12 Months				
Cash	48.15	48.75	USD	5.62875	5.28438	5.15688	5.15609		
notes									
TC	48.1	48.7	GBP	6.4825	6.34563	6.01766	5.68406		
Market commentary									
On Monday, demand for US dollar was moderate due to the persisting sluggishness in the local forex market. The international market still remains thin after Christmas. In the interbank market, dollar traded between BDT 48.6505 and BDT 48.6515. Bangladesh Bank accepted Treasury Bills worth BDT 4,650 million and T-bills worth BDT 4,750 million also matured yesterday. Since the matured amount was bigger than payment the call money market was in a comfortable position and call rates ranged between 7.00 and 7.50 per cent. Banks offered one unit of US dollar to the exporters at BDT 48.475 and purchased the same from exporters at BDT 48.1550. In the kurb market, cash dollar notes traded between 48.80 and 48.80.									
The international markets are caught between post-Christmas and New Year holidays. Major currencies are trading in steady ranges as the market players are yet to join the fray.									
At 1600 hours local time dollar traded at 1.6809/14 against DEM, 116.15/6.25 against yen and GBP at 1.6730/40 against Dollar.									

Shipping Intelligence

Chittagong port							
Berth position and performance of vessels as on 28.12.98							
Berth No	Name of vessels	Cargo	L.Port call	Local agent	Date of arrival	Leaving	
J/1	Jiang Shuan	GI	Tian	Bdshp	11/12	4/1	
J/2	Maple Aries	GI	P. Kel	Everett	25/12	30/12	
J/3	Arktis Grace	GI	Sing	Seacom	16/12	2/1	
J/4	Dong Long-1	Rice (P)	Cal	MSL	19/12	30/12	
J/5	Sea Phoenix	Wheat(P)/GI	Vans	AASS	14/12	1/1	
J/6	Fu Shan	C. Clink	Thai	MBL	27/12		
J/7	Xia Men	GI	Sang	Bdshp	11/12	30/12	
J/8	Ken Pan	Wheat(G)	Norfi	OWSL	9/12	31/12	
J/9	Banglar Shobha	Wheat(G)	K. Dia	BSC	R/A	31/12	
J/10	Banglar Asha	Wheat(G)	K. Dia	BSC	R/A	27/12	
J/11	Golden D	Wheat(G)	K. Dia	Frank	R/A	28/12	
J/12	Sea Gallant	Cont	Sing	Pil (BD)	23/12		
J/13	Jurong Balsam	Cont	Sing	Nol	20/12	28/12	
CCT/1	Manaslu	Cont	Sing	RSL	21/12	29/12	
CCT/2	Richmond	Cont	P. Kel	QCSL	20/12	29/12	
Cct/3	Kota Berjaya	Cont	Sing	Pil(BD)	23/12	31/12	
CGJ	Al Quamar	C. Clink	Taje	PSAL	12/12	31/12	
GSJ	Cosmic	Wheat(G)	K. Dia	EASL	R/A	31/12	
TSP	Suthathip Naree	Repair	Ham	Move	10/12	30/12	
RM/6	Mingzhou-3	Urea	-	BSC	R/A	29/12	
DOJ	Banglar Jyoti	C. Oil	-	BSC	R/A	29/12	
DDJ/1	Tanary Star	Idle	Para	Seacom	13/12	30/12	
DDJ/2	Tanary Star	Idle	Para	Seacom	13/12	30/12	
DDJ/2	Seabulk Command	-	K. Dia	IBS	R/A	31/12	
RM/8	Al Muztuba	Repair	-	CLA	R/A	31/12	
Vessels due at outer anchorage							
Name of vessels	Date of arrival	L. Port arrival	Local call	Cargo agent	Loading port		
Banglar Shikha (Cont) 13/12	28/12	Sing	ISC	GI	Cal		
Qc Pintal (Cont) 17/12	29/12	Sing	QCSL	Cont	Sing		
Banga Biral (Cont) 17/12	29/12	Sing	Bdshp	Cont	Sing		
Pulau Mawar	29/12	Sing	QCSL	Cont	Sing		
Sunsin	29/12	-	Colitmond	Mop			
Prima Cynthia	29/12	-	Prog	GI			
Ever Cheer 24/12	30/12	-	SSL	GI			
Jaami	30/12	Cal	Royal	Rice(G)			
Xing Ye	30/12	Kand	MHSSL	Rice(G)			
Min Jiang	31/12	-	Bdshp	GI			
Song ling	30/12	-	Bdshp	GI			
Sin hai (Cont) 8/12	31/12	Sing	RSL	Cont			
Kim Dong	31/12	-	MSL	Rice			
Banga Biral (Cont) 10/12	31/12	Sing	Bdshp	Cont	Sing		
Shimanz 24/12	31/12	Sing	SSC	Cont			
Budi Aman (Cont) 21/12	1/1/99	Sing	RSL	Cont	Sing		
Makassar Express (Cont) 21/12	1/1/99	Sing	Barthid	Cont	Col		
Kota Cahaya (Cont) 22/12	1/1/99	Sing	Pil(BD)	Cont	Sing		
A.A. Venture	2/1/99	-	Cla	Rice(P)/GI			
Alpine	2/1/99	Yang	SMSL	GI			
Qc Teal (Cont) 20/12	3/1/99	Sing	QCSL	Cont	Sing		
Acacia 24/12	3/1/99	Sing	RSL	Cont	Sing		
Vishva Kaumudi	04/01/99	-	SSSL	Rice(G)			
Oscar Venture (Roro) 24/9/12	4/1/99	-	BBA	Vehi			
Prosrich	4/1/99	Sing	BSC	Cont	Sing		
Banglar Robi	4/1/99	Sing	BSC	Cont	Sing		
Banglar Moni	5/1/99	Sing	BSC	Cont	Sing		
Kota Singa	6/1/00	Sing	Pil (BD)	Cont	Sing		
Coral Trader	28/12	-	AASS	Rice(P)/GI			
Lufte Oldendorff	8/1/99	-	Lutful	M Seed			
Tanker due							
Mountain Lady	30/12	Sing	MSTPL	HSD Jet-1			
Vessels at Kutubdia							
Name of vessels	Cargo	Last port call	Local agent	Date of arrival			
Romina-G	C. Oil	Rast	ASTA	25/12			
Banglar Shourabh	C. Oil	-	BSC	R/A			
Mary Bay	Wheat(G)	Sing	Lams	26/2			
Devolan	Wheat(G)	Mong	Lams	27/12			
Iman	Cana	SSST	Wheat(G)				
Banglar Mamata	Wheat(G)	-	BSC	R/A (25/12)			
Vessels at outer anchorage							
Ready on							
Ranginut	GI	Sing	Ipil	18/12			
Asean Jumbo	GI	Kaus	Oil	23/12			
Diligence Cont	Cont	Sing	QCSL	23/12			
Orion glory	GI	Sing	Prog	23/12			
Bunga mas Lapan	Cpo	P. Kel	Rainbow	24/12			
Xpress Padma	Cont	Sing	RSL	24/12			
Chaikidon Adventure	GI	Mumb	OWSL	25/12			
Katalina	Wheat(P)	GI	Turk	Seagroy	19/12		
Abuja	GI	Sing	RML	25/12			
Cielo Di Salerno	Cont	Col	Baridih	26/12			
Kota Naga	CDSO	-	Mad	Seacom	26/12		
Hawahan Express	Cont	Sing	Pil (BD)	27/12			
	Sko	Sing	MSTPL	27/12			
Vessels not entering							
Martina	Cement	Sing	USTC	27/12			
Undok-1	Cement	Sing	Apex	20/12			
Ryong Gang	Cement	Tanj					
Izmail	-	Col	USTC	3/7			
Al Salmas	-	-	ASLL	R/A(28/11)			
Saudi Glory	-	Peng	H&H	13/12			
Attolikos	Scraping	Rayo	Ahz	14/12			
Ivan Korobstov	Scraping	Sing	OTL	17/12			
Namreen-1	Repair	Darb	Ahz	11/12			
Movement of vessels for 29/12/98							
Outgoing	Incoming	Shifting					
J/11 Golden-D	RM/5 H. Express	J/11 X. Padma to Cct/2					
CCT/1 Marasau	BN Global Jane	B. Mas Lapan					
CCT/2 Richmond	J/11 X. Padma						
DOJ B. Jyoti	B. Mas Lapan						
	RM/4 Ld Lapan						
	DOJ B. Shourabh						
The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka							