ROK to lift 20-year ban on Japanese goods

SEOUL, Dec 30: South Korea will abolish its 20-year-old import ban on an assortment of Japanese cars and other industrial goods by June next year, government officials said Wednesday, reports AP.

South Korea currently bans the import of 48 Japanese products, including many types of cars, as part of its effort to protect domestic industries and fight a chronic trade imbalance with Japan.

South Korea will begin Thursday by first lifting the ban on 32 products, including station wagons with 1- to 1.5-liter engine capacity, jeeps with over 1.5-liter gasoline engines, as well as camcorders, copy machines and audio components.

The remaining 16 items — such as sedans, colour televisions, cell phones and station wagons with less than 3-liter engine capacity will be freed from the import ban on June 30 next year, said the Ministry of Trade, Industry and Energy.

"In the long run, the decision will likely increase our trade deficit with Japan," said Choi Chul-woo, a ministry official. "It will most likely affect domestic car, electronic home appliances and machine tool industries.

But with the country's imports remaining sluggish amid an economic crisis, the Japanese products newly exempt from the ban will pose little immediate competition to domestic manufacturers, Choi said.

South Korea imposed the ban in 1978 to control a chronic trade deficit with Japan, which had provided up to 40 per cent of all South Korean imports in the 1970s.

The ban helped South Korea to reduce its dependence on its neighbour for imports to around 24 per cent in the 1990s. But its trade deficit with Japan has kept increasing — from $ 2.8 billion in 1980 to $ 13 billion last year.

Tokyo has complained that the restrictions are an unfair trade practice, and Seoul has been gradually lifting the ban, reducing the number of goods prohibited.

South Korea imported $ 27.8 billion from Japan last year and exported $ 14.8 billion, resulting in a $ 13 billion deficit, bigger than South Korea's total trade deficit of $ 8.5 billion.

In the first 11 months of this year, the shortfall with Japan dropped to $ 4 billion as the economic crisis forced South Korea to reduce Japanese imports to $15 billion while keeping exports at $ 11 billion.

Oil majors to invest $7b in Kuwait

KUAIT CITY, Dec 30: The world's oil majors will invest up to seven billion dollars to develop Kuwait's northern fields over the next five years to double production levels there, according to Kuwait's oil minister, says AFP.

Sheikh Saud Nasser Al-Sabah was quoted in Tuesday's press as saying the majors will contribute all necessary funds, technology and expertise to increase production capacity to over 900,000 barrels a day.

"The projects has strategic economic, technical and security objectives," the minister said, cited by Arab Times.

Kuwait plans to intensify cooperation with foreign oil companies to boost production to three million barrels a day by 2005.

Kuwait carried out a month long technical presentation in Britain and the United States in November when it put out an offer to the oil majors to develop the northern fields which lie on the Iraqi border.

Sheikh Saud said the offer was open to all international oil companies and that each would be given only one oil field to develop to curb a potential monopoly.

Furthermore, the oil firms will construct an oil exporting port in Bubiyan, a northern Kuwaiti island and will also construct a town to house employees, some 60 per cent of whom would have to be Kuwaiti.

Sheikh Saud shot down speculation that Kuwait would sign partnership projects, saying that any "operating service agreements" signed would not be a violation of the Kuwaiti constitution, which forbids foreign ownership of its natural resources.

China immune from Asian crisis

China has been spared the brunt of the Asian financial crisis which continues to wreak havoc on almost all its neighbours, according to official figures.

Chinese officials have announced that economic growth in 1998 was 7.8 per cent - just off the 8 per cent government target. Gross domestic product (GDP) for the year rose to 7.97 trillion yuan ($962bn).

Fuelling the Chinese growth was a massive government injection of $12bn, which was invested into infrastructure such as telecommunications and public works.

Gloomy start

Despite the glowing figures, the Asian crisis overspilled into China earlier in the year. The picture at the beginning of the year was gloomy when Chinese officials reported that economic growth stood at 7 per cent, down from the 8 per cent target.

Foreign exchange reserves dwindled and foreign investment fell to around $40bn, down 11 per cent on 1997, despite the government's promise that the currency would remain stable. Investors from South Korea, Japan, Hong Kong and Taiwan all took fright.

The value of exports fell to around $182bn, which in turn pulled down export growth, the country's traditional economic mainstay.

But China's growth is head and shoulders above its neighbours, with Indonesia's economy expected to shrink by 14.8 per cent, Hong Kong's by 5.2 per cent and Malaysia's by 6.3 per cent, according to a Reuters poll.

Immune from Asian flu

Economists welcomed the new figures showing that China had survived against the odds.

Fred Hu, head of the economic research unit at investment bank Goldman Sachs' Hong Kong office, said: "China has defied the prophets of doom. A lot of people thought the Chinese economy would be dragged down by the Asian financial crisis and natural disasters."

Others were more sceptical given the fact that Asia is experiencing its worst slump since World War Two.

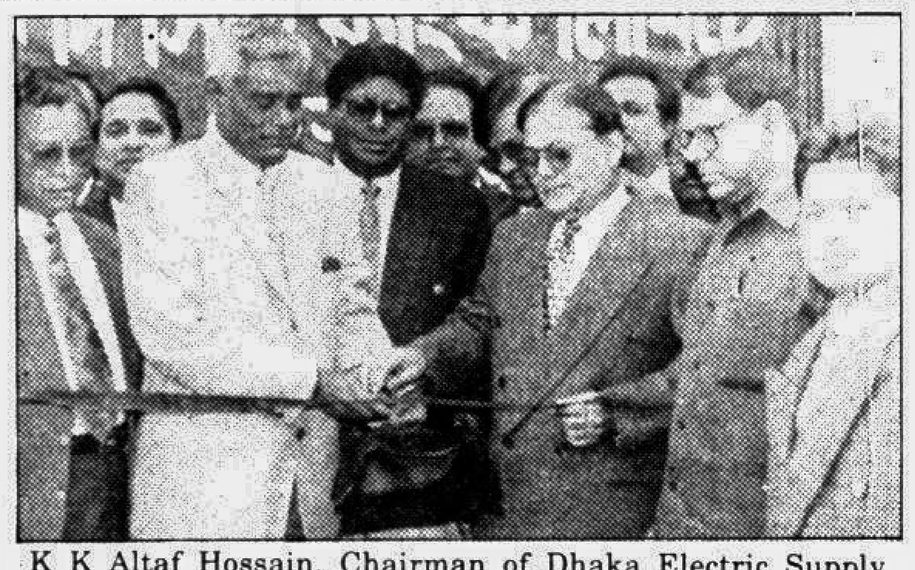
Radical reforms

In March, Premier Zhu Rongji introduced a radical, wide-ranging modernising programme. He introduced reforms aimed at ending subsidies to the state sector, cutting the bureaucracy in half and encouraging people living in work unit flats to buy themfrom the state.

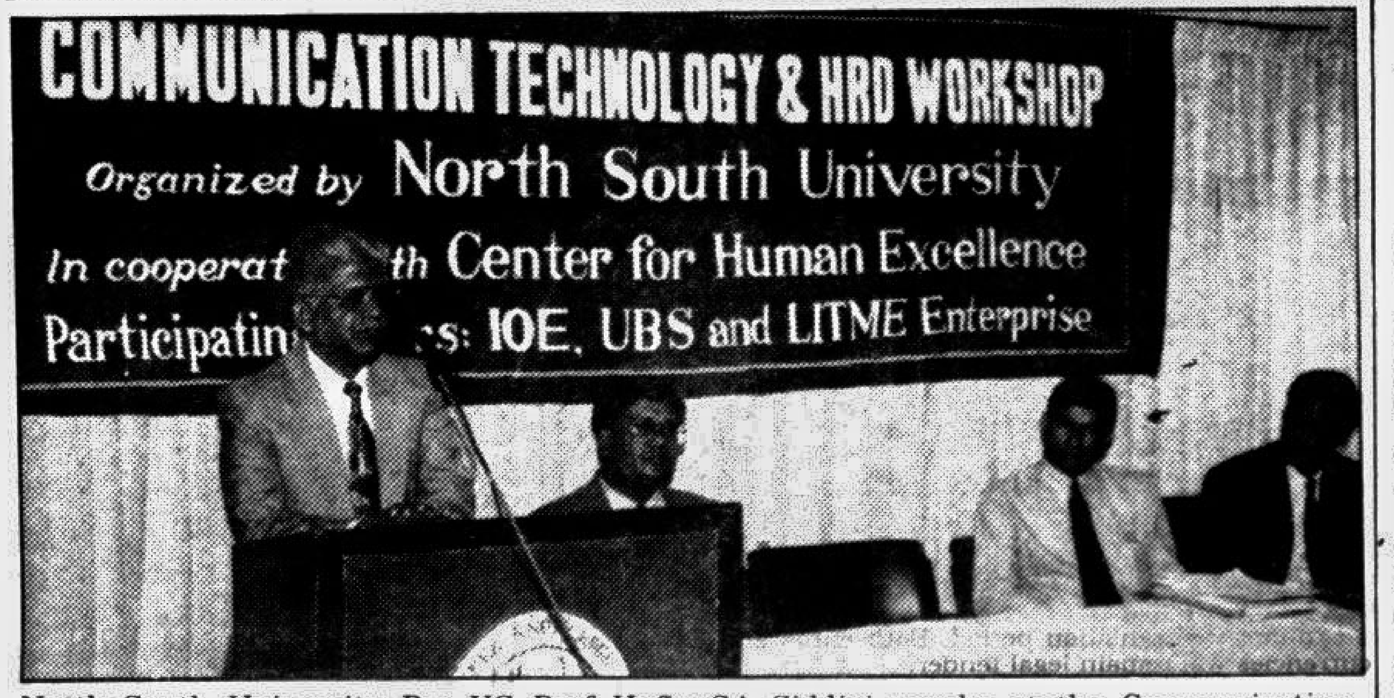
These reforms however have sparked rising unemployment and plummeting profitability in the state sector.

Earlier this week, the government also passed a law to regulate the financial markets, sending a shiver down the spine of China's freewheeling stock brokerage industry.

--BBC Internet



K K Altaf Hossain, Chairman of Dhaka Electric Supply Authority (DESA), inaugurates a DESA Booth of The City Bank Limited at Lalmatia in the city. Mohammad Faiz, Managing Director, AKM Badruddoja, Executive Vice President, M Shafiqul Alam, Senior Vice President of the bank and Syed Enamul Hoque, Member (Finance) of DESA, are seen in the picture. — City Bank photo



North South University Pro-VC Prof Hafiz GA Siddiqi speaks at the Communication Technology and HRD workshop held in the city yesterday. — NSU photo

City Bank opens booth at Lalmatia DESA office

Star Business Report

City Bank has opened a booth at DESA office at Lalmatia in the city.

The booth was inaugurated by the Chairman of Dhaka Electric Supply Authority, K K Altaf Hossain, at a function on Monday, says a press release.

The new booth will extend customised service to the clients.

The booth will primarily meet the needs of the electricity consumers in the vicinity who very often face the hassle to pay out their electricity bills. From now on, the City Bank's booth will receive payment of electricity bills exclusively from the domestic, commercial and industrial consumers in the locality.

City Bank's New Market branch will oversee the operation of the booth.

A few more booths of such type are in the offing.

City Bank has already a booth at Zia International Airport catering to the spot cash needs of the incoming passengers.

Mohammad Faiz, Managing Director of the bank, presided over the function.

A K M Badruddoja, Executive Vice President, M Shafiqul Alam, Senior Vice President of the bank and Syed Enamul Hoque, Member (Finance) of DESA were, among others, present of the occasion.

A Milad Mahfil preceded the inauguration which was largely attended.

Who is responsible for Japan's economic crisis?

TOKYO, Dec 30: With no consensus in sight on how to tackle Japan's recession Tokyo may have opened a pandora's box by starting to debate who should be held responsible for the country's economic crisis, reports AFP.

The economic planning agency, in its annual report this week, admitted: "The economy is in a state which can be called a deflationary spiral."

But the text is also the first official admission that Japan's worst post-war recession is the result of calamitous management of the country's economy by its leaders.

It is yet to be seen whether this frankness, mainly attributable to the strong personality of the agency's chief Taichi Sakaiya, will continue in the future.

In summary, the agency said, neither bureaucrats nor the private sector has admitted what caused the crisis.

"The burst of the bubble economy with sharp depreciation of asset values would have delivered a considerable blow to the Japanese economy," the report said, "even if the banking sector began disposing of their bad loans much more swiftly."

The agency noted the bursting of the bubble brought a combined capital loss of 840 trillion yen (7.240 billion dollars) to Japanese businesses and households between 1990 and 1996.

But instead of attacking the central problem, successive governments have returned to the stimulus plans classically used in a recession, but have only built up a huge public deficit.

For Makoto Utsumi, a former senior finance ministry official now a professor at Keio University, the bursting of the bubble should have been avoided in the first place and the prime culprit is Yasushi Mieno, the former Bank of Japan Governor.

He compared the Japanese central bank's desire to crush speculation with a brutal monetary policy to the prudent policies of Alan Greenspan and his colleagues at the US Federal Reserve who are facing their own bubble economy.

"They are very prudent, since the problem is limited to the rise in share prices without a raise in the general level of prices, a soft landing is possible, but in Japan, in their desire to correct asset inflation, they ended up killing the economy."

Workshop on communication technology held

A day-long workshop for BBA students titled "Communication Technology & HRD Workshop" was organised by North South University in collaboration with Centre for Human Excellence (CENCE) at its Banani main campus yesterday.

The workshop was presided over by Dr Meshquat Uddin, director, BBA Programme and the key-note paper was presented by business school faculty member Quazi Mahmud Ahmed.

NSU Pro-Vice Chancellor Prof Hafiz GA Siddiqi spoke as chief guest and Nazrul Jamil, president (nominated), Computer Education and IT Training Association (CEITTA) attended the workshop as a paper discussant and special guest.

At the working session, nine groups of student researchers made multi-media presentations.

Smuggled Indian gold jewellery flood Pak mkt

KARACHI, Dec 30: Gold jewellery smuggled in from India has flooded the Pakistan market, taking away at least 40 per cent of the total business, jewellers said today, reports AFP.

Anlima Yarn declares 10 pc dividend

Star Business Report

Anlima Yarn Dyeing Ltd has declared a 10 per cent dividend for the shareholders.

The dividend was announced at the third Annual General Meeting (AGM) of the company held at its factory premises at Karnapara in Savar yesterday, says a press release.

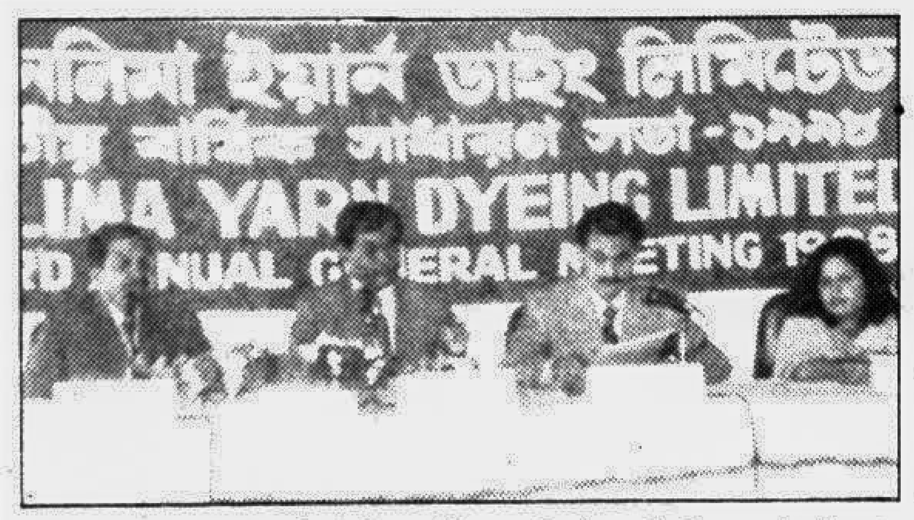
The Chairman and Managing Director of the Company, Mahmudul Hoque, briefed the shareholders about the operating performance of the company for the year 1997-98.

The company started commercial operation in March 1998 and the accounts included three month's operating performance.

The company earned Tk 27.21 million profit during the first three months of its operation — which is a remarkable performance in the textile sector.

It was mentioned in the meeting that the company is one of the best yearn dyeing plants in the country exporting 100 per cent of its output through knitting and weaving industries of the country.

The meeting adopted the accounts and directors report.



The third AGM of Anlima Yarn Dyeing Ltd was held at the factory premises yesterday. Abul Bashar—Director, M Abul Kalam Mazumdar—Director, Mahmudul Hoque—Managing Director and Hubbun Nahar Hoque—Director are seen in the picture. — Anlima Yarn photo

Bhutan to introduce new Personal Income Tax

THIMPHU, Dec 30: The tiny Himalayan kingdom of Bhutan is to put in place from the new year a modified system of personal taxation to widen the scope of revenue collection.

Currently Bhutanese pay tax only on salaries. From January 1999, the new Personal Income Tax (PIT) is to cover earnings from salaries, rent, savings company dividends, cash crops and other sources, Bhutan's national newspaper Kuensel reported.

Finance Minister Yeshey Zimba said the objective of the new system was to reduce emerging disparities in income, guide savings and investment activities as well as broaden the tax base.

Income of Bhutanese Nu 50,000 and above would qualify for progressive tax beginning with a minimum of five per cent. The first collection, based on the earnings in the 1999 calendar year, is to be made in February 2000.

The proposal for PIT was passed by the National Assembly in its session in June this year.

Formal legislation is expected to be passed in time for the first collection. "Personal income tax is the main source of income in many countries and is also one of the most important tools for ensuring equity in income distribution," the Revenue and Customs Division explained.

Exchange Rates

American Express Bank Ltd Foreign Exchange Rates (Indicative) against the Taka to clients:

Currency	Selling T.T & O.D.	Selling B.C.	Buying T.T Clean	Buying O.D Sight Export Bill	Buying O.D. Transfer
US Dollar	48.7050	48.7450	48.3100	48.1570	48.0850
Pound STG	82.1556	82.2231	80.9821	80.7256	80.6049
Deutsche Mark	29.2084	29.2324	28.7937	28.7025	28.6596
Swiss Franc	35.7993	35.8287	35.2242	35.1127	35.0602
Japanese Yen	0.4233	0.4236	0.4161	0.4148	0.4142
Dutch Guilder	25.9829	26.0043	25.4934	25.4127	25.3747
Danish Krona	7.7071	7.7134	7.5207	7.4969	7.4857
Australian $	30.1971	30.2219	28.9618	28.8701	28.8270
Belgian Franc	1.4130	1.4141	1.3975	1.3930	1.3909
Canadians	31.7296	31.7557	30.8592	30.7614	30.7154
French Franc	8.7670	8.7742	8.5105	8.4836	8.4709
Hong Kong $	6.2995	6.3046	6.2234	6.2037	6.1944
Italian Lira	0.0313	0.0315	0.0275	0.0274	0.0274
Norway Kroner	6.4864	6.4917	6.3750	6.3548	6.3453
Singapore $	29.7417	29.7661	28.7799	28.6888	28.6459
Saudi Rial	13.0332	13.0439	12.8416	12.8009	12.7818
UAE Dirham	13.2972	13.3081	13.1160	13.0744	13.0549
Swedish Krona	6.0261	6.0310	5.9524	5.9336	5.9247
Qatari Riyal	13.4192	13.4302	13.2302	13.1883	13.1686
Kuwaiti Dinar	168.2383	168.3765	154.0989	153.6108	153.3812
Thai Bhat	1.3284	1.3295	1.3140	1.3099	1.3079
Europe CCY Unit	57.9736	58.0212	55.9816	55.8043	55.7209

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)

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
48.0850	48.7050	USD	5.653	5.350	5.244	5.224	5.220
48.0850	48.7050	GBP	6.50	6.38	6.00	5.82	5.68

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.535/ 42.540	51.920/ 52.020	36.500/ 36.700	3.7999/ 3.8001	7950/ 8050	1207.0/ 1209.4

Amex Notes on Wednesday's market

USD/BDT market was slightly higher on Wednesday as demand for US dollar was detected in the market due to import payments ahead of year end. The range for USD/BDT for that day ranged from 48.6505/6550 in the interbank market.

Call money market was on the other hand lower than the previous day by another 25 basis, on Wednesday the interbank money market ranged from 6.25 pc to 6.75 pc for most deals.

Dollar steady versus yen by mid-morning in Tokyo on Wednesday amid dearth of market participants in year's last trading session. There is very little movement today because the only players in the market are financial institutions.

Dollar stood at 115.40/50 yen, compared with 115.48/53 yen in New York late on Tuesday. Dealers were busy preparing for the launch of euro on January 1, 1999.

Most dealers expect the euro to start as a relatively strong currency. They believe there would be some good demand for the euro and that the euro will rise against the dollar and the yen.

It seems hard to predict what the impact euro will have on dollar/yen. The dollar moved in a narrow range by midday Tokyo on Wednesday, with the upside hemmed in as Japanese government bond yields surged above two per cent, a 15-month high.

Cash bonds finished the last trading session of 1998 at the year's low on Wednesday, due mainly to rekindled fears of bond oversupply in coming year.

Sterling slips below 2.81 marks but still within day's one-penning range amid holiday-thinned trade. Sterling/dollar stays trapped below $1.6840 but firm. Traders cite some nervousness over possible sterling/mark choppiness in coming days due to potential unwinding of ECU basket trades ahead of launch of euro. Sterling/yen subdued due to generally strong yen.

The first trading day for the new year shall be January 4, 1999.

At 9.55 GMT in the international market the USD traded at 1.6721/25 DEM, 115.22/32 JPY, 5.6110/20 FRF, 1.3660/70 CHF and GBP at 1.6808/18 USD.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 30.12.98

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Jiang Shuan	GI	Tian	Bdship	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	31/1
J/4	Dong Long-1	Rice (P)	Cal	MSL	19/12	31/12
J/5	Sea Phonix	Wheat(P)/GI	Vans	AASS	14/12	2/1
J/6	Fu Shan	C. Clink	Thai	MBL	27/12	7/1
J/7	Xia Men	GI	Sang	Bdship	11/12	31/12
J/8	Ken Pan	Wheat(G)	Norf	OWSL	9/12	31/12
J/9	Banglar Shobha	Wheat(G)	K.Dia	BSC	R/A	2/1
J/10	Banglar Asha	Wheat(G)	-	BSC	R/A	2/1
J/11	Golden D	Wheat(G)	K.Dia	Frank	R/A	30/12
J/12	Sea Gallant	Cont	Sing	Pil (BD)	23/12	31/12
J/13	Banglar Shikha	Cont	Sing	BSC	28/12	31/12
CCT/1	Manaslu	Cont	Sing	RSL	21/12	30/12
CCT/2	Diligence Cont	Cont	Sing	QCSL	23/12	31/12
CCT/3	Kota Berjaya	Cont	Sing	Pil(BD)	23/12	31/12
CCJ	Al Quamar	C. Clink	Taje	PSAL	12/12	1/12
GSJ	Cosmic	Wheat(G)	K. Dia	EOSL	R/A	1/12
TSP	Suthathip Naree	Repair	Ham	Move	10/12	31/12
RM/4	Cielo Di Salerno	Sko	Sing	MSTPL	27/12	2/1
RM/5	Hawa[illegible] Express	Sko	Sing	MSTPL	27/12	1/1
RM/6	Min[illegible]hou-3	Urea	-	BSC	R/A	4/1
DOJ	Banglar Shourabh	C.Oil	-	BSC	R/A	30/22
DDJ/1	Tanary Star	Idle	Para	PSAL	-	31/1/99
RM/8	Al Muztuba	Repair	-	Cla	R/A	31/12
Kafco (U)	Paramushir	Urea	Mong	ANCL	21/12	31/12

Vessels due at outer anchorage

Name of vessels	Date of arrival	L.Port call	Local agent	Cargo	Loading port
Ever Cheer 24/12	31/12	-	SSL	GI	-
Song lin	30/12	-	Bdship	GI	-
Anodad Naree	30/11	Indo	Delmure	C.Clink	-
Pulau Mawar	3/12	Sing	QCSL	Cont	Sing
Min Jiang	31/12	-	Bdship	GI	-
Sin hai (Cont) 8/12	31/12	Sing	RSL	Cont	-
Shinzan 24/12	31/12	-	SSL	GI	-
Mukmur Perkasa	31/12	Mong	Lams	-	-
Jaami	1/1	Cal	Royal	Rice(G)	-
Xing Ye	1/1	Kand	Mhssl	Rice(G)	-
Samuda	1/1	Seacom	Rice	-	
Ostfriesland	4/1	-	MHCSL	Rice(P)	-
Anton Topic	1/1	Sing	SSST	Wheat(G)	-
Budi Aman (Cont) 21/12	1/1	Sing	RSL	Cont	Sing
Makassar Express (Cont) 21/12	1/1	Sing	Baridhi	Cont	Col
Kota Cahaya (Cont) 22/12	1/1	Sing	Pil(BD)	Cont	Sing
Qin Ling	1/1	Danj	Seacom	R. Phos	-
Kim Dong	2/1	-	MSL	Rice	-
A.A.Venture	2/1	-	Cla	Rice(P)GI	-
Alpine	2/1	Yang	SMSL	GI	-
Acacia 24/12	2/1	Sing	RSL	Cont	Sing
Ava	3/1	Yang	-	GI	-
Qc Teal (Cont) 20/12	2/1	Sing	QCSL	Cont	Sing
Vishva Kaumudi	4/1	-	SSSL	Rice(G)	-
Prosrich	4/1	Sing	BSC	Cont	Sing
Banglar Robi	4/1	Sing	BSC	Cont	Sing
Rio Venture	4/1	-	USTC	Cement	-
Jollity	5/1	-	USTC	Cement	-
Jurong Balsam	5/1	-	USTC	Cement	-
Banga Birol (Cont) 10/12	5/1	Sing	Bdship	Cont	Sing
Banglar Moni	5/1	Sing	BSC	Cont	Sing
Kota Singa	6/1	Sing	Pil (BD)	Cont	Sing
Diler-4	6/1	-	BSL	Soyabean	-
Coral Hero	8/1	-	Everett	GI	-
Lucky Oldendorff	8/1/	-	Lutful	M Seed	-
Oscar Venture (Roro/24) 9/12	13/1	-	BBA	Vehi	-

Tanker due:

Mountain Lady	30/12	Sing	Mstpl	Hsd Jet-1	-
Patty Ann	31/12	-	Tsl	Cdso	-

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Sea Bulk Command	-	-	BSC	R/A (22/12)
Romina-G	C.Oil	Rast	ASTA	25/12
Banglar Jyoti	C.Oil	-	BSC	R/A (29/12)
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)
Al Swamruz	Wheat(G)	-	ASLL	R/A (27/12)

Vessels at outer anchorage:

Ready on:

Ranginui	GI	Sing	Ipl	18/12
Asean Jumbo	GI	Kaus	Oil	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
Chalkidon	GI	Mumb	OWSL	25/12

Vessels not entering:

Martina	Cement	Sing	USTC	27/12
Ryong Gang	Cement	Tanj		
Izmail	-	Col	USTC	3/7
Al Salmas	-	-	ASLL	R/A(28/11)
Namreen-1	Repair	Darb	Ahz	11/12
Saudi Glory	-	Peng	H&H	13/12
Aitolikos	Scraping	Rayo	Ahz	14/12
Ivan Korobtsov	Scraping	Sing	OTL	17/12

The above are shipping position and performance of vessel of Chittagong Port as per berthing sheet of CPA supplied by **HRC Group, Dhaka.**