

IMF accused of fostering 'human disaster' in Asia

GENEVA, Jan 28: The Managing Director of the upcoming world economic forum at the Swiss ski resort of Davos accused the International Monetary Fund (IMF) of fostering a "human disaster" in Asia, says AFP.

"I am outraged by the errors of analysis and the action of the IMF which transformed a manageable crisis into a human disaster," Claude Smadja told the Swiss weekly magazine L'Espresso.

The Washington-based fund wanted to imprint the US model of financial capitalism on a

global scale and this arrogance had consequences whose damage still had to be measured, said the key administrator of the Davos forum, which opens Thursday for six days.

The Jamboree, into its 29th year, will gather together world leaders in business, finance, science and politics in an agenda of seminars, roundtables and private meetings.

Smadja admitted that he himself had been enthused by what he called the US model.

"Many of us were caught up in the euphoria" of the 1990s

when the United States economy was expanding and job creation was buoyant while Europe staggered along, he said.

Solutions to the Asian crisis lay in a blueprint, neither European or American, based on the long-term and not centered purely on the stockmarket performance of companies, he said.

"Even if the next two or three years are extremely hard, Asia's fabulous development will continue," he said.

Smadja, along with other world economic forum founder Klaus Schwab, ridicules the

idea sometimes put forward of Davos being a place where world leaders conspire to impose a brand of reckless capitalism.

"With time and success, a myth has been born," he said.

That explains why the turnout for the annual talk fest in the eastern Swiss station is so huge.

Companies represented at Davos this year represent a turnover of five trillion dollars (four trillion euros) or five times the gross domestic product of France, Smadja said.

Court quashes Pak forex accounts freeze

LAHORE, Pakistan, Jan 28: A Pakistani court Wednesday overturned an indefinite freeze on foreign currency bank accounts worth 11 billion dollars which the government imposed after carrying out nuclear tests last year, reports AFP.

Officials sources said the government would appeal to the Supreme Court against the verdict announced by a three-member bench of the Lahore High Court (LHC) headed by judge Allah Nawaz.

The accounts were frozen May 28 to avert capital flight following the nuclear tests,

which led foreign-exchange inflows to dry up and pushed the country into a financial crisis.

The government later allowed account holders to convert their forex holdings at the rate of 46 rupees to the dollar, lower than the open market rate, and also floated foreign bonds which could be bought against frozen deposits.

Finance Minister Ishaq Dar said Sunday account holders had converted deposits worth around four billion dollars, besides purchasing bonds to the tune to about 453 million dollars.

ADB to expand micro-finance programmes in DMCs

The Asian Development Bank (ADB)-backed micro-finance programmes in the developing member countries (DMCs) are expected to expand significantly over the next few years following its successful operations in Bangladesh and Indonesia.

"From 1998 to 2000, the bank anticipates, assistance to the micro-finance sector would be US \$ 250-300 million which represents an increase of over 150 per cent in average annual assistance for micro-finance during the last decade," the ADB mentioned in its recently adopted interim action plan for micro-finance operations.

The ADB in its action plan believes that the provision of micro finance services is an effective and proven way of reaching the poor, particularly women.

"Micro finance services, if provided on a sustainable basis, can have a significant effect on poverty reduction and empowerment of the women," the action plan said adding there is a vast unmet demand for micro finance services from poor households and micro enterprises.

The ADB has defined micro-finance as an important tool for achieving the bank's five strategic objectives which include promoting economic growth, reducing poverty, supporting human development, improving the status of women and protecting the environment.

Onion, vegetable prices crash in Indian markets

NEW DELHI, Jan 28: The lowly onion, priced almost beyond reach just a few months ago, is back in plenty in Indian homes where it is the basic ingredient of curries and most other dishes.

Onion prices, like those of almost every other vegetable have crashed in markets across the country and none is happier than the housewife.

"It is a pleasure to go vegetable shopping these days," said one Delhi housewife. "Everything seems so cheap after the steep prices earlier." "We had got used to doing without onions which had become a luxury," said another housewife, adding, "Now with the fall in their prices we are back to our normal diet."

Onions were selling for upto Rs 50 (\$1.19) per kg in Delhi and around Rs. 60 (\$1.47) in some other parts of the country a few months ago.

The sky-high prices were partly responsible for the defeat of the ruling Bharatiya Janata Party (BJP) in last November's state Assembly elections in Delhi and Rajasthan.

From being the staple of an average Indian's diet, the vegetable became the talk of the town, the main plank during electioneering and even the target of burglars. It even became a gift for a bride at a small town wedding, with one father presenting his daughter 50 kg of onions as part of her trousseau.

For long an exporter of onions, India was forced to import the commodity from Iran and Pakistan. Now, after a bumper winter crop the vegetable is down to normal rate of Rs 10 (25 cents) per kg, while potatoes which had also reached Rs 18 (40 cents) per kg some months ago are at Rs 5 (12 cents) per kg.

Tomatoes, selling at Rs 60 (\$1.40) per kg in November are now available for as little as Rs 10. Radishes at 50p per kg are so cheap that farmers have dug out the crop to plant something which will fetch them some profit. - India Abroad News Service

'IMF must alter way to keep pace with global economy'

WASHINGTON, Jan 28: The International Monetary Fund has to change the way it operates to keep pace with an increasingly globalised economy, a senior Clinton administration official told a Senate panel Wednesday, says AP.

But Deputy Treasury Secretary Lawrence Summers also said the financial turmoil that swept Asia, Russia and Brazil in the past 18 months would have been much worse without the IMF. The Fund provided the worst affected nations with billion-dollar rescue packages.

"If there is one message running through my entire testimony today it is this one, that the global economy has changed greatly and the IMF has to change with it," Summers told a Senate Foreign Relations subcommittee on international economic policy.

Summers also said the 182-

nation organisation, financed by the world's taxpayers, "must not operate entirely behind closed doors. Thanks to recent US initiatives, the IMF has moved significantly toward openness."

The IMF must be more accountable in its use of public funds, provide aid at market-based rates and get the private sector more involved in burden sharing, Summers said.

"It is early days yet," Summers said. "No one should doubt that we are only part way down the long road toward reforming the IMF."

Stanley Fisher, an American who is the IMF's No 2 official, was unable to testify before the panel because he was holding discussion with Brazilian officials on the country's continuing economic crisis.

Speaking about the rescue packages for Brazil, Russia and

three Asian nations, Summers said, "I have no doubt that without and IMF with the capacity to respond, the cost of these crises would have been even higher and the impact on our own economy and markets much more severe."

Sen Chuck Hagel, the subcommittee chairman, said that even though the United States is the IMF's largest shareholder it should not expect nor ask the IMF to do everything.

"Expecting the IMF to do too much will set it up for failure," Hagel said. "The IMF cannot be all things to all peoples. That was never in its charter."

Among recommendations in the legislation is establishment of an advisory committee consisting of lawmakers from the IMF's top five contributors: the United States, Germany, Japan, France and Britain.

Scandinavians start changing their minds about euro

STOCKHOLM, Jan 28: Support for the European single currency in outsider countries Sweden and Denmark has risen steadily after the euro's "so-far-so-good" start, with half of the population in both countries now favouring membership, reports AFP.

Sweden and Denmark, together with Britain and Greece, chose to remain outside single currency when it was launched on January 1.

But Scandinavians, who, because of a lack of public support, closely watched the euro preparations and launch from the sidelines, now appear to have changed to their minds.

The stable launch has likely played a strong role in convincing people.

In Sweden, a Gallup poll published yesterday in the financial daily Dagens Industri (DI) showed 51 per cent were in

favour of joining the euro, the first time a majority has supported the idea, only 30 per cent were opposed.

Just last week, another poll showed 45 per cent of Swedes wanted to join while 38 per cent were against. Both polls were based on interviews with some 1,000 people.

Swedish Finance Minister Erik Aasbrink has stubbornly refused to take a stance on the euro.

"Sweden should join the euro if it is good for the country. In recent times, the reasons favouring Swedish membership have grown stronger," he said repeatedly.

However, Aasbrink has made it clear that the decision is to be left up to the Swedish people in a referendum or general election.

In a comment piece in the daily Dagens Nyheter on Monday,

Swedish Trade Minister Leif Pagrotsky said it would be a mistake to "rush into" the single currency.

The euro has also gained ground in Denmark, where two new surveys published at the weekend confirm a new-found base of support.

Fifty per cent of Danes would vote for the euro, 38 per cent are against and 12 per cent remain undecided, according to a Gallup survey of 1,034 people published in the conservative Berlingske Tidende newspaper on Saturday.

Opponents of the euro cited a loss of sovereignty as their major reason.

Support for adopting the single currency has risen dramatically from 33 per cent in June 1994, while opposition has plummeted from a 59 per cent high during the same period.



Deputy Managing Director (Finance and Administration) of Delta Life Insurance Company Muslehuddin Ahmed hands over a death claim settlement cheque for Taka 52,275 to Kaniz Fatima Parul, nominee and wife of the policy-holder late Emdadul Huq Sarker, in the city recently. - Delta Life photo

Asian Business Briefs

2m tourism jobs lost in SE Asia

SINGAPORE: About 2 million tourism jobs were lost in Southeast Asia last year and revenue was 11 per cent lower than expected, a gathering of the regions tourism officials was told Thursday.

The figures are worrisome because tourism "is a good generator of employment and foreign exchange, both critical to the region's recovery from the economic crisis," said Singapore Minister for Trade and Industry Lee Yock Saan.

The World Travel and Tourism Council estimates that total Gross Domestic Product generated from tourism in 1998 was \$ 70 billion, a drop of \$ 7.5 billion from what had been expected, Lee told the Association of Southeast Asian Nations (ASEAN) Tourism Forum in a keynote speech.

Estimated employment in the regional tourism industry fell 10 per cent from 1997, to about 20 million last year, he said.

Japanese industrial output down 6.9pc

TOKYO: Japan said Thursday its industrial production declined 6.9 per cent in 1998 — the first drop in five years and the sharpest fall in more than two decades.

Hit by sagging demand amid the worst recession since World War II, industrial production posted its biggest contraction since an 11 per cent plunge in 1975 due to the shock of surging global oil prices, the Ministry of International Trade and Industry said.

MITI said a drop of 0.4 per cent in the final quarter helped push down the annual figure. But in a sign of improvement, it also reported output in December rose a larger-than-expected 1.3 per cent compared to the previous month.

Economists surveyed by Dow Jones Newswires had forecast a 0.1 per cent gain in the seasonally-adjusted monthly production figure. The government had projected a 0.3 per cent increase from November, when output fell 2.0 per cent.

Despite the December rise, MITI left unchanged its overall assessment that the situation at Japan's factories and mines remains "stagnant."

Toyota to slash car production

TOKYO: Hurt by slumping demand, Toyota Motor Corp. Japan's biggest automaker, will cut production of passenger cars at its main plant from February 1, the company said Thursday.

Toyota Motor will halve operation hours on its main production line, which rolls out luxury vehicles, at its Motomachi plant in western Japan, said company spokesman Shino Yamada.

The company had maintained a two-shift system despite a drop in demand, but has been forced to introduce a one-shift system for its No 1 line.

The mass-circulation Asahi newspaper reported that production cuts could spread to other Toyota plants and lead to layoffs if the company's sales don't recover.

From April, Toyota's daily output is expected to decline to below 12,000 vehicles, the level at which it can maintain its current facilities and work force, the Asahi said.

Toyota's Yamada declined comment on the scale of the production cuts, and denied the move will result in job cuts. - AP reports

Exchange Rates

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against the Taka

Central Bank USD/BDT Rate: Buying - BDT 48.35/Selling - BDT 48.65

| T.T/O/D | BC | Currency | Buying | | |
|---------|---------|----------|----------|--------------|-------------|
| | | | TT Clean | OD Sight DOC | OD Transfer |
| 48.7100 | 48.7500 | USD | 48.3150 | 48.1549 | 48.0708 |
| 0.4256 | 0.4260 | JPY | 0.4145 | 0.4132 | 0.4124 |
| 34.7804 | 34.8000 | CHF | 34.1067 | 33.9967 | 33.8646 |
| 29.0277 | 29.0265 | SGD | 28.8900 | 28.4016 | 28.3520 |
| 32.2732 | 32.2997 | CAD | 31.5722 | 31.4676 | 31.3512 |
| 6.3372 | 6.3425 | SEK | 6.2299 | 6.2092 | 6.1900 |
| 31.0575 | 31.0830 | AUD | 29.8152 | 29.7164 | 29.5203 |
| 12.8526 | 12.8631 | MYR | 12.6808 | 12.6387 | 12.6067 |
| 6.2947 | 6.2998 | HKD | 6.2627 | 6.2081 | 6.1929 |
| 13.0230 | 13.0337 | SAR | 12.8477 | 12.8051 | 12.7726 |
| 13.2989 | 13.3099 | AED | 13.1180 | 13.0746 | 13.0411 |
| 0.0415 | 0.0415 | KRW | 0.0411 | 0.0409 | 0.0409 |
| 80.8784 | 80.7446 | GBP | 79.0747 | 78.7429 | 78.4611 |
| 56.4939 | 56.5403 | EUR | 54.5380 | 54.3572 | 54.2023 |

USance Export Bills

| TT Doc | 30 days | 60 days | 90 days | 120 days | 180 days |
|---------|---------|---------|---------|----------|----------|
| 48.2154 | 47.9179 | 47.5206 | 47.0641 | 46.5677 | 45.4558 |

Exchange rates of some Asian currencies against US dollar

| Indian Rupee | Pak Rupee | Thai Baht | Mal. Ringit | Indo. Rupiah | Sing. Dollar |
|--------------|-----------|-----------|-------------|--------------|--------------|
| 42.40 | 51.45 | 6.780 | 3.79 | 92.15 | 16870 |
| 42.51 | 51.56 | 6.84 | 3.901 | 93.40 | 80 |

US Dollar Libor

| Buying | Selling | 1 Month | 3 Months | 6 Months | 12 Months | |
|------------|---------|---------|-------------|----------|-----------|---------|
| Cash notes | 48.15 | 48.75 | USD 5.62875 | 5.28063 | 5.15813 | 5.15609 |
| T.C | 48.1 | 48.7 | GBP 66 | 6.34813 | 6 | 5.67531 |

Market Commentary

On Thursday, the players in the interbank market experienced high demand for the US dollar. The supply of the greenback in interbank market was extremely poor, which forced many banks to purchase dollar from the Bangladesh Bank. The dollar traded in a high range of BDT 48.6550 to BDT 48.6800. This high demand was the result of increased import liabilities and a downward trend in inward remittances. Call money market is again in an insipid state. The call rate has started to recede after a brief elevation during the Eid with the rate ranging between 7.25 and 7.75 per cent.

In the international markets, dollar was in firm against the major brouses as it gained support from markets increasingly favourable outlook regarding the US economy. Although dollar fell a little from a one month record high against yen and two-week peak against Euro, the market players expect it to rise due to positive outlook and technical factors. The GDP of the United States is expected to go upwards while the market is sceptical about the estimated GDP growth in the euro zone.

At 1600 hours local time, USD traded at 115.42/52 JPY, GBP at 1.6466/76 USD and euro at 1.1454/57 USD

-Standard Chartered Bank

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 27-1-99

| Berth No | Name of vessels | Cargo | L Port call | Local agent | Date of arrival | Leaving |
|----------|------------------|----------|-------------|-------------|-----------------|---------|
| J/1 | Ocean-1 | GI(LOC) | Yang | SMSL | 19/1 | 31/1 |
| J/2 | Banglar Gourab | Rice(P) | Kara | BSC | 19/1 | 31/1 |
| J/3 | Vishva Kaumudi | Rice(G) | Mum | SSL | 11/1 | 31/1 |
| J/4 | Island Princess | Rice(OP) | Cal | Cl | 23/1 | 29/1 |
| J/5 | Ostfriesland | Rice(P) | Kand | MHCSL | 5/1 | 2/2 |
| J/6 | Mariupol | R Seed | Pen | Seacomd | 9/1 | 3/2 |
| J/7 | Banglar Mamata | Wheat(G) | | BSC | R/A | 3/2 |
| J/8 | Surabayaxpres | GI(log) | Yang | Olm | 16/1 | 29/1 |
| J/9 | Great Fortness | Wheat(P) | | OWSL | R/A | 1/1 |
| J/10 | Budleghu | | | RSL | 19/1 | 29/1 |
| J/11 | Banglar Shobha | Whatt(G) | P Kel | BSC | R/A | 2/1 |
| J/12 | Yasmina | G | Yang | SMSL | 17/1 | 1/2 |
| J/13 | Banglar Robi | Cont | Sing | BSC | 24/1 | 30/1 |
| CCT/1 | Dragon Brani | Cont | Sing | Nol | 20/1 | 31/1 |
| CCT/2 | Meghna | Cont | Sing | Bdship | 11/1 | 29/1 |
| CCT/3 | Bunga Mas Enam | Cont | P Kel | BOSL | 20/1 | 29/1 |
| RM/14 | Youngling | C Click | Sing | PSAL | 10/1 | 29/1 |
| RM/15 | Banglar Urm | G | Sing | BSC | 24/1 | 31/1 |
| CGJ | Anodad Naree | C Click | Indoi | Delmure | 30/12 | 31/1 |
| GSJ | Nadel Horn | Wheat(G) | Varn | Ancient | 12/1 | 30/1 |
| TP | pachara naree | Sulp | BABB | Seacom | 23/1 | 2/2 |
| RM/3 | Ventura | C Click | Barb | Rainbow | 16/1 | 1/1 |
| RM/5 | Becla | G | Juba | CSL | 23/1 | 30/1 |
| RM/6 | Talana | Urea | Juba | Seacom | 18/1 | 5/2 |
| DMJ/1 | Tanary Star | Idle | Para | PSAL | 20/1 | 31/1 |
| RM/9 | Banglar Shourabh | Repair | Repair | BSC | R/A | 2/2 |
| Cull | Mary Nour | Cement | Lanv | BSC | 19/1 | 1/2 |

Vessels due at outer anchorage

| Nme of vessels | Date of arrival | L Port call | Local agent | Cargo Loading | Leaving port |
|---------------------------|-----------------|-------------|-------------|------------------|--------------|
| Asian Ruby | 28/1 | - | USTC | Rice(G) | - |
| Xing ye | 1/2 | - | MHCSL | Rice(P)/GI | - |
| Well Speeder | 28/1 | - | Psal | C. Click | - |
| Martina | 5/2 | - | Viking | Cement | - |
| Ultima | 2/3 | - | Col | Cement | Col |
| Vivatressure | 1/2 | - | USTC | Cement | - |
| Bo Tong Gang | 1/2 | - | USTC | Rice(G) | - |
| Sylvia | 29/1 | - | USTC | Rice(G) | - |
| Oh Santok | 1/2 | - | USTC | Rice(G) | - |
| Banglar moni(Cont)14/1 | 30/1 | Sing | BSC | cont | Sing |
| Banglar Shikha (Cont)17/1 | 30/1 | Sing | BSC | cont | Sing |
| Multan | 31/1 | Kara | BSC | Rice(P) | - |
| Xiang Jiang | 30/1 | - | Bdship | cont | Col |
| Ge Mallard | 29/1 | Sing | QSL | cont | Sing |
| Lampun Naree(Cont)16/1 | 31/1 | - | Baridhi | cont | Sing |
| Taraman Bibi | 1/1 | - | USTC | Cement | - |
| Xpress Resolve (cont)3/1 | 30/1 | Sing | RSL | cont | - |
| Iran Salam (24/1) 14/1 | 31/1 | BABB | Everett | GI(PCARGO) | - |
| Spring Trader (48)26/1 | 2/1 | - | Everett | GI | - |
| Kota abadi (Cont)24/1 | 31/1 | Sing | PH(BD) | Cotn | Sing |
| Akra sounion | 1/2 | Texas | Lams | What(G) | - |
| Yang Lin | 2/2 | - | Bdship | GI | - |
| Dos Oriente | 2/2 | Thai | Mbi | GI(stoil) | - |
| Abuja (Cont)26/1 | 3/2 | Sing | Baridhi | cont | Col |
| Sea Gallant(Cont)24/1 | 3/2 | Sing | PH(BD) | cont | Sing |
| SAHlor-1 | 3/2 | P.Said | Ancient | Wheat(G) | - |
| Bunga Mas Lapan | 5/2 | sign | EOSL | Cont Sing, P.Kel | - |
| Qc Pantali (Cont) 24/1 | 5/2 | sign | QCSL | Cont Sing | - |
| Bang Brol | 5/2 | - | Cl | Rice | - |
| AA venture | 5/2 | - | Bdship | GI | - |
| Olympic Mentor | 5/2 | Turk | OWSL | Wheat(P) | - |
| Albatross-II | 6/2 | Kand | SMSL | Rice | - |
| Sarah-1 | 8/2 | Kara | SMSL | Rice | - |
| Bhavabhutti | 7/2 | Cen | SSLL | GI | - |
| Ingenuity (Cont)17/1 | 10/2 | Sing | RSL | Cont Sing | - |
| Qc Teal | 10/2 | Sing | QCSL | Cont Mcl. | - |

Tanker due

| Name of vessels | Date of arrival | L Port call | Local agent | Cargo | Leaving port |
|-----------------|-----------------|-------------|-------------|-------|--------------|
| Eburana | 28/1 | Sing | ECAS | HSD | - |
| Marol | 2/2 | Juba | ECSL | HAD | - |

Vessels at Kutubdia

| Name of vessels | Cargo | Last Prof call | Local agent | Date of arrival |
|----------------------|---------|----------------|-------------|-----------------|
| Seabulk Command | What(G) | Host | IBS | R/A(25/10) |
| Coastal corp christi | What(G) | Mong | Lams | 25/12 |
| Global janc | What(G) | Mong | Lams | 23/1 |
| Goldend | What(G) | Mong | Lams | 26/1 |

Vessels at outer anchorage

Ready on

| Name of vessels | Cargo | Local agent | Date of arrival |
|--------------------|----------|-------------|-----------------|
| General mojica | R Seed | Sing | Dolphin |
| Sin Hal (Cont) | Cont | Sing | RSL |
| Acacia (Cont)22/1 | Cont | Sing | RSL |
| Calatagan | urea | Mong | Everett |
| Amfritriti | GI | Caga | Oil |
| Kota Cahaya (Cont) | Cont | Sing | PH(BD) |
| Prosperich(Cont) | Cont | Sing | PH(BD) |
| Ecaterina | GI | Mum | Sunshine |
| Bangla Mamata | What(G) | | BSC |
| Blue Angel | Wheat(P) | Mad | AASS |
| Al Guamar | Rice(G) | Hald | BSC |
| Banglar asha | What(G) | | BSC |
| Maring Unoin(48) | GI | Sing | RML |
| Mawlamine | GI | Yang | MTA |
| Banga Biraja(Cont) | Cont | Sing | Bdship |