

Hun Sen's Malaysia visit a boon

Cambodia upbeat on luring back regional investment

PHNOM PENH, Feb 7: Cambodia Prime Minister Hun Sen returned from an official visit to Malaysia yesterday, with officials upbeat on the prospect of luring back regional investment to boost the country's stagnant economy, reports AFP.

Commerce Minister Cham Prasith told reporters the visit had been a "victory" for the two-month old government, with the delegation having sealed an agreement with Malaysia to expand economic, trade and industrial ties.

"Cambodia now hopes to attract more investors, since Malaysia is also running through a financial crisis, Malaysian investors are think-

ing of what kind of industry could be shifted to Cambodia," Cham Prasith said at Phnom Penh's airport.

He said he hoped to see assembly plants established here, including motorcycle factories, citing Cambodia's ability to rapidly absorb "small to medium scale" industrial development.

Hun Sen's three-day visit to Malaysia, in which he met with Prime Minister Mahathir Mohamad for two hours of bilateral talks, has been aimed at wooing back investors and trying to boost regional confidence in Cambodia.

The agreement signed included "granting each other most favoured nation treat-

ment in matters relating to customs tariff, taxes and customs procedures," according to a statement from Malaysia's international trade and industry ministry.

"The governments of both countries agreed to provide assistance and encourage the private enterprises to explore trade opportunities," the statement said.

The pact would also "facilitate each other's participation in trade fairs and the establishment of a joint trade facility to enhance two-way trade."

Business confidence took a major blow in July 1997, when the last coalition government of Hun Sen and Prince Norodom Ranariddh broke

down amid heavy fighting. Asia's economic crisis has also added to Cambodia's woes.

Malaysia's bilateral trade with Cambodia amounted to 175.4 million ringgit (46 million dollars) in the first 11 months of last year, down from 326.8 million ringgit in 1997.

Malaysians exports to Cambodia totalled 129 million ringgit during the period, in the same period, Malaysian imports from Cambodia amounted to 46 million ringgit.

Malaysia is the top investor in Cambodia with a total cumulative investment of 1.7 billion ringgit, or 31 per cent of total foreign direct investment as of last year.

Top Asian tycoon believes China won't devalue its currency

CHON BURI, Thailand, Feb 7: One of Asia's leading tycoons believes that China is unlikely to devalue the yuan and plunge Southeast Asia's stabilising economies back into crisis, says AP.

Dhanin Chearavanont, president of the Charoen Popkand Group, also said Thailand could ensure swift economic recovery if the government develops policies favouring agricultural exports — a sector his conglomerate dominates.

The Thailand-based CP Group has the largest number of foreign investments in China of any company and Dhanin's connections to the nation's top economic policy-makers are considered excellent.

With each financial crisis since Thailand led much of Asia into collapse in mid-1997, followed by Russia and recently Brazil, analysts have feared that a Chinese devaluation

could make the fragile situation far worse.

"If they haven't devalued already, there's no need to devalue now," Dhanin told reporters Saturday at a cockfighting event to promote indigenous Thai chickens. "As long as China doesn't devalue Southeast Asian countries will recover sooner."

CP's China investments have suffered in the crisis, but Dhanin said that the firm's core agribusiness interests are prospering. CP is one of the world's largest poultry producers and has investments stretching from the southern United States throughout Asia.

Dhanin said that Thailand is geographically located at the centre of an India-China-Australia axis home to 3 billion people and the country should base its hopes for future prosperity on its abundant agricultural capacity.

Australian govt urged to raise migrant intake

CANBERRA, Feb 7: Australia should boost its intake of migrants to improve its economic growth prospects, an employer group said Sunday, reports AP.

The annual intake should be changed to a five-yearly programme with a minimum net intake of 0.67 per cent of the resident population, the Australian Chamber of Commerce and Industry said in its February newsletter.

This would take the intake to around 123,000 in the financial year to June 30, 2000.

"While such a net intake would be well above the historic lows of around 68,000 persons adopted by the government in its first term, the economic dividends are likely to prove significant if the mix of the intake is appropriately determined," the chamber said.

IBM-ISV seminar on banking solution held

An IBM-ISV Banking Solution seminar was held at a city hotel recently in the presence of eminent banking personalities of the country.

Speakers present in the seminar were, Patricia Yim, General Manager of Small and Medium Business, IBM Asian/South Asia; Siow Ling Lau, Segment Manager, Banking and Finance Industry, Small and Medium Business, IBM Asian/South Asia; John Owen, CEO International Solace Limited and Nazrul Islam, Marketing Manager of IBM Bangladesh.

Siow Ling from IBM talked about the recent trend in the banking and finance industry in the networked environment. Internet banking is becoming very popular in other developed countries. Banking systems in Bangladesh should also focus on these types of e-business, she added.

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Solace has built a strong foundation from which to capitalise on the growing demand for its innovative banking solutions and to exploit emerging market opportunities, in order to achieve its vision of being a premier player in the Pacific and African markets by 2001.

'Sino-Japanese trade may not recover soon'

BEIJING, Feb 7: Falling Sino-Japanese trade and Japanese investment in China are unlikely to recover in the short term, an official Chinese trade researcher was quoted as saying today, reports AFP.

The drop in trade stemmed mainly from sharp decreases in sales of textiles, crude oil and coal, Wu Junxia, a researcher with the China Academy of International Trade and Economic Cooperation, told China Daily business weekly.

He blamed the falls on sluggish domestic demand in Japan and China, the worldwide slide in the prices of raw materials and falling Japanese investment in China.

"There is no sign yet of a recovery in the Japanese economy. So demand for textiles, iron and steel, and raw materials will not increase in the short term," he said.

Chinese products would meet fierce competition from those of Southeast Asian countries, made much cheaper by their currency devaluations, Wu said.

Meanwhile, economic growth in Europe and North America was expected to be slower than last year, creating a deteriorating trading environment in the two regions.

Declining Japanese investment in China would also have a significant negative impact on bilateral trade, Wu added.

Last year, Chinese exports to Japan dipped for the first time in 12 years, falling by 6.7 per cent to 29.69 billion US dollars, imports fell by 2.7 per cent to 28.2 billion US dollars.

Over the past few years, Japan has been China's biggest trade partner and China has ranked second in Japan's foreign trade markets. Japan is the second-largest overseas investor in the country after Hong Kong.

Last year, however, bilateral trade shrank for the first time in eight years, according to Chinese customs statistics, trade volume dropped 4.8 per cent year on year to stand at 57.89 billion US dollars.

'Spending cuts won't support taxes' IMF pressure makes dent in Cardoso's political backing

BRASILIA, Feb 7: Political support for Brazilian President Fernando Henrique Cardoso is beginning to crack under intense pressure to meet tough International Monetary Fund (IMF) economic targets, reports AFP.

Brazil's ruling party politicians warned that spending cuts outlined by the IMF would have started at the top and that they would not automatically support tax increases, press reports said Saturday.

"The executive government has to start sending signals on spending cuts before we support new taxes," said Odelmo Leao, one of Cardoso's political allies.

"There has to be a better assessment of (government) spending," Yeda Crusius, an influential Congress member and another supporter of President Fernando Henrique Cardoso,

was quoted as saying. "Surgery will be necessary to reorganize this spending," she warned.

Brazil agreed Thursday to yet more belt-tightening measures stipulated by the IMF that are sure to require further cuts in public spending, credit-crunching interest rates and possibly higher taxes.

"Efforts to overcome the situation have to come from (government) spending and costs" and not taxes, Alnardo Madeira, the leader of the ruling Brazilian Social Democrat Party (PSDB) in the Chamber of Deputies, told the press.

PSDB member Marcio Fortes acknowledged the country's financial troubles could force "additional taxes" on the crisis-weary Brazilian people, but said his party would not back such a move "at this time."

Nevertheless, other members of Congress warned the government would ask for higher taxes and that Congress, for economic reasons, would be forced to go along despite the political cost of such initiatives.

But the government would have to present its case persuasively to the Brazilian people first, another political ally said.

The politicians' warnings came a day after Cardoso snubbed opposition governors by cancelling a meeting with them to renegotiate debts owed to the central government.

Seven Brazilian states had announced they would use no more than five percent of their revenues to pay back debt owed to the financially strapped central government.



The annual conference of Animal Health Sector of Novartis (Bangladesh) Limited was held at a hotel in Cox's Bazar recently. — Novartis photo

Low making costs win Laos sports giants

VIENTIANE, Feb 7: In their constant search for low cost production locations, sportswear giants Nike and Adidas have added the tiny landlocked country of Laos to their list of worldwide suppliers, reports AFP.

With low wages and an easy natured workforce, Laos has become an attractive investment destination for international manufacturers. It has been buffeted by the regional economic crisis, which has caused the non-convertible kip currency to plummet nearly 70 per cent in the past 18 months, nearly crippling the country's highly import-dependent economy.

The weak kip has been a boon for garment exporters, who now employ thousands of young women in the capital to produce sportswear and garments for top brand names including Nike, Kappa, Adidas and JC Penny.

Although garment exports are still small, about 90 million

dollars or nine per cent of export revenue in 1997, the textile and garment sector had attracted 75 foreign investments worth more than 72 million dollars in mid 1997.

"We are very happy with the Lao workers," Roman Stepek, General manager of Trio (Laos) Export Company, said as he showed off facilities in his plant including new employee washrooms and a medical dispensary.

In the factory, about 1,200 workers cut, stitch and embroider apparel for Nike, Adidas and other international brands, in a well lit, air conditioned facility, which boasts staff dormitories and piped pop music.

Workers earn on average less than a dollar a day for an eight-hour shift and work six days a week. They can increase their wages by 30 per cent per month by working overtime of up to 40 hours.

HK tycoon sentenced in Taiwan bribery scandal

TAIPEI, Feb 7: Hong Kong property tycoon Lim Por Yen was sentenced on Saturday to three years and two months in jail in Taiwan's biggest-ever bribery scandal, says AP.

The Taipei District Court also sentenced Chuang Yu-kun, head of the Taipei country land department, to 20 years in prison for taking US \$ 4.14 million in bribes from Lim.

Lim, head of Hong Kong's Lai Sun Group, was convicted of paying bribes and money laundering, but said he will appeal the case.

Lim has been released on bail of 10 million Taiwan dollars (US \$ 310,000), and now is free to pay additional bail of three times that amount to leave Taiwan. He previously had been barred from leaving.

"I am innocent," Lim, 84, told reporters after the verdict. "I have not done anything wrong so far."

He said he will pay the bail Monday so he can return home to tend to his businesses, which he said had suffered losses in Hong Kong's economic recession.

The verdict said Lim paid the bribes to Chuang to help Lim's Taiwan-registered company gain at least 900 million Taiwan dollars (US \$ 28 million) in over-valued government payments relating to a land deal.

Lim has defended his actions, saying he paid the money to a private consultant, Ho Kwan-cheung, and did not question how Ho spent the money.

The court, however, determined that Ho paid the bribes on behalf of Lim to Chuang's brother-in-law, Lin Chin-rong, who then remitted the money to Chuang's wife in the United States.

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Exchange Rates

Following are yesterday's Standard Chartered Bank exchange rates of major currencies against taka Central bank USD/BDT rate: Buying: BDT 48.35/Selling:BDT 48.65									
Selling		Currency		Buying					
TT/OD	FC			TT Clean	OD Sight Doc	OD Transfer			
48.7100	48.7500	USD	48.3150	48.1549	48.0708				
0.4343	0.4347	JPY	0.4231	0.4217	0.4209				
34.3581	34.4864	CHF	33.7962	33.6842	33.5549				
29.0027	29.0265	SGD	28.4792	28.3848	28.3353				
32.9300	32.9570	CAD	32.2057	32.0990	31.9790				
6.2093	6.2144	SEK	6.1045	6.0842	6.0713				
32.1973	32.2238	AUD	30.9458	30.8432	30.6451				
12.8533	12.8638	MYR	12.6801	12.6381	12.6061				
6.2945	6.2997	HKD	6.2266	6.2059	6.1927				
13.0328	13.0435	SAR	12.8419	12.7993	12.7668				
13.2989	13.3099	AED	13.1180	13.0746	13.0411				
0.0417	0.0417	KRW	0.0413	0.0411	0.0410				
78.8761	78.9409	GBP	77.2219	76.9660	76.6873				
55.6930	55.7456	EUR	53.7746	53.5964	53.5028				

US DOLLAR EXPORT BILLS							
TT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	180 DAYS		
48.2154	47.9179	47.5208	47.0641	46.5677	45.4558		
EXCHANGE RATES OF SOME ASIAN CURRENCIES AGAINST US DOLLAR							
Indian Rupee	Pak Rupee	Thai Baht	Mal Ringgit	Indo Rupiah	Sing Dollar		
42.400/	51.45/51.55	36.60/36.70	3.79/3.8003	8700/8800	1.6870/90		
US DOLLAR			LIBOR				
	BUYING	SELLING		1 Month	3 Months	6 Months	12 Months
Cash rates	48.15	48.75	USD	5.6285	5.2803	5.15813	5.15609
TC	48.1	48.7	GBP	65	6.34813	6	5.67531

Market Commentary
On Sunday, demand for the dollar rose slightly due to import-related payments. The dollar traded in a range of BDT 48.68 to BDT 48.6550. The call money rate closed unchanged and traded between 6.50 to 7.50 per cent. In the kerb market, a unit of cash dollar traded between BDT 48.60 and BDT 48.80.

Bangladesh Bank accepted Treasury bills worth of BDT 6065 million for 28 days at an average yield of 7.59 per cent, BDT 1500 million for 91 days at 8.60 per cent, BDT 160 million for 182 days the rate of 9.20 per cent, BDT 850 million for 364 days at 9.65 per cent at BDT 240 million for 2 years at the rate of 10.44 per cent.

International markets were closed for weekend.
In New York closing on Friday, USD traded at 113.15/20 JPY, GBP at 1.6083/93 USD and euro at 1.1280/85 USD.

Shipping Intelligence

CHITTAGONG PORT									
Berth position and performance of vessels as on 7-2-99									
Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Date of leaving			
J/1	Asian Ruby	Rice(P)	Vish	USTC	28/1	7/2			
J/2	Eastonaria A	Rice(G)	Mum	Sunshine	24/1	10/2			
J/3	Al Quamar	Rice(G)	Hald	SL	24/1	9/2			
J/4	Topaz	C. Chik	Cosk	MNL	28/1	8/2			
J/5	Sai Kung	Wheat(G)	Walu	Seagull	24/1	13/2			
J/6	General Mojica	R Seed	Sing	Dolphin	18/1	7/2			
J/7	Banglar Mamata	Wheat(G)	ISC	Everett	31/1	9/2			
J/8	Iran Salam	Wheat(G)	Dubai	Everett	31/1	9/2			
J/9	Amfitriti	Wheat(G)	Caga	Oil	23/2	7/2			
J/10	Blue Angel	Wheat(P)	Mad	AASS	11/1	11/2			
J/11	Golden D	Wheat(G)	Mong	Lams	29/1	13/2			
J/12	Ultima	Cont	Col	QCSL	28/1	7/2			
J/13	Banglar Monti	Cont	Sing	BSC	30/1	7/2			
CCT/1	Diligence Cont	Cont	Sing	QCSL	28/1	7/2			
CCT/2	QC Mallard	Cont	Sing	QCSL	30/1	7/2			
CCT/3	Kota Singa	Cont	Sing	PSAL	27/1	7/2			
RM/14	Youngling	C Clink	Sing	PSAL	10/1	7/2			
CCJ	Viva Treasure	Cement	Sing	USTC	1/2	10/2			
GSJ	Meloi	Wheat(G)	Varn	Ancient	14/1	10/2			
TSP	Patchara Naree	Sulp	B Abb	Seacom	23/1	10/2			
RM/6	Talana	Urea	B Kam	Seacom	18/1	13/2			
DOJ	Larissa	HSFO	Sing	ECSL	4/2	7/2			
DMJ/1	Tanary Star	IDLE	Para	PSAL		28/2			
RM/9	Banglar Jyoti	Repair	ISC	BSC	R/A	10/2			

Vessels due at outer anchorage:	
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