Annual OECD report reveals

Aid to poorest states falls for first time this decade

PARIS, Feb 8 : Official aid to the world's poorest countries fell in 1997 for the first time this decade, to its lowest level ever, and estimates suggest it fell further in 1998, the OECD said Monday, reports AFP.

Official development assistance fell from an average 0.33 percent of gross national product in the years to 1992 to an "unprecedented low of 0.22 percent in 1997," the Organisation for Economic Cooperation and Development said in its annual development cooperation report.

This compares with a United Nations target for ODA of 0.7 per cent of GNP.

Total net private capital flows to the developing world also fell sharply in 1997, to 252 billion dollars from 283 billion in 1996 and the fall was likely to have continued in 1998.

The percentage of people living below the poverty line has been falling, it is true, the report said, but because of the increase in the world's population the absolute number is rising.

There are now some 1.3 billion people living in "acute poverty" -- or on less than one dollar a day -- almost a quarter of the world's population.

If present aid trends continue "the volume of development assistance would fade to insignificance long before the job was done," the OECD warned.

In dollar terms, public and private financial flows to developing countries fell 11 percent to 324 billion dollars in 1997 from 365 billion dollars in 1996, largely because of the Asian financial crisis, "and all projections suggest that this decline continued and widened in 1998," the report said.

"The lessons of 1998 show that aid, even stripped to its most indispensable functions, is likely to be more needed, in more places and perhaps for more years than might have been assumed when 'Asian miracle' models began to promise so much," the report said.

The Group of Seven leading industrial nations -- Britain, Canada, France, Germany, Italy, Japan and the United States -- reduced their official development assistance by 29 percent in real terms between 1992 and 1997, although the report noted that Britain and Germany have pledged to reverse this trend.

Only four of the 21 members of the OECD's development assistance committee (DAC) exceed the UN target of ODA at 0.7 percent of GDP or higher -- Denmark, the Netherlands, Norway and Sweden.

The United States' ODA in 1997 was the smallest among the DAC members in percentage terms, at 0.09 percent of GNP, with Denmark the highest at 0.97 per cent.

The largest donor in dollar terms was Japan, at 9.3 billion dollars, or 0.22 percent of GNP, but the report noted that Tokyo is planning a 10 percent cut in aid flows over three years because of its own economic troubles.

The only countries to increase their aid in dollar terms in 1997 were Canada, Ireland, Luxembourg, New Zealand, Portugal and Britain.

Foreign direct investment by the private sector rose sharply in 1997 from the 1996 level to 107.8 billion dollars from 63.5 billion in 1996, the report said, but this was largely due to foreign buying of stakes in Asian companies as they opened up their industries in the wake of the financial crisis.

And overall net private capital flows to 29 major emerging market economies are expected to fall to 158 billion dollars in 1998 from 242 billion in 1997, largely due to general investor wariness of emerging markets in the wake of the Asian crisis.

Asia still attracted the lion's share of total financial flows in 1997, at more than 110 billion dollars, while North Africa and the Middle East received only around 11 billion and Subsaharan Africa some 15 billion.

Mashih-Ul-Karim, Managing Director of Berger Paints Bangladesh Limited, addresses the convocation of the students of Exterior-Interiors (P) Ltd at a city hotel on Sunday.

Euro hits new low against dollar

LONDON, Feb 8 : The euro hit a new low against the dollar early Monday in London ahead of what were expected to be poor German industrial output figures, while the dollar regained ground against the yen, reports AFP.

The euro fell to 1.1228 dollars from 1.1281 dollars late Friday, the lowest level since its launch in 10 European Union countries at the start of this year, before recovering to 1.1235 dollars.

Against sterling, the euro fell to 0.6884 pounds (0.6891).

The dollar rose to 113.69 yen from 113.49 yen earlier in Tokyo and 113.02 yen late Friday in London.

The euro's weakness was prompted by the expectations of poor German figures, which follow a series of strong US indicators.

"The German industrial production figures should be pointing to recession," said Robert Hayward, economist at the Bank of America. "There's a huge contrast between the US and Euroland's economies."

Also hurting the euro was the surprise defeat in regional elections in Hesse of German Chancellor Gerhard Schroeder's SPD party.

Declarations in support of the euro this weekend by Bundesbank chief Hans Tietmeyer and EU monetary policy commissioner Yves-Thibault de Silguy had little effect, analysts said.

The dollar also found strength against the yen, helped by a strengthening of Japanese bond prices and parallel lowering of yields, which attract investors into the yen market.

The pound fell against the dollar after figures showing a bigger than expected drop in British industrial output in January.

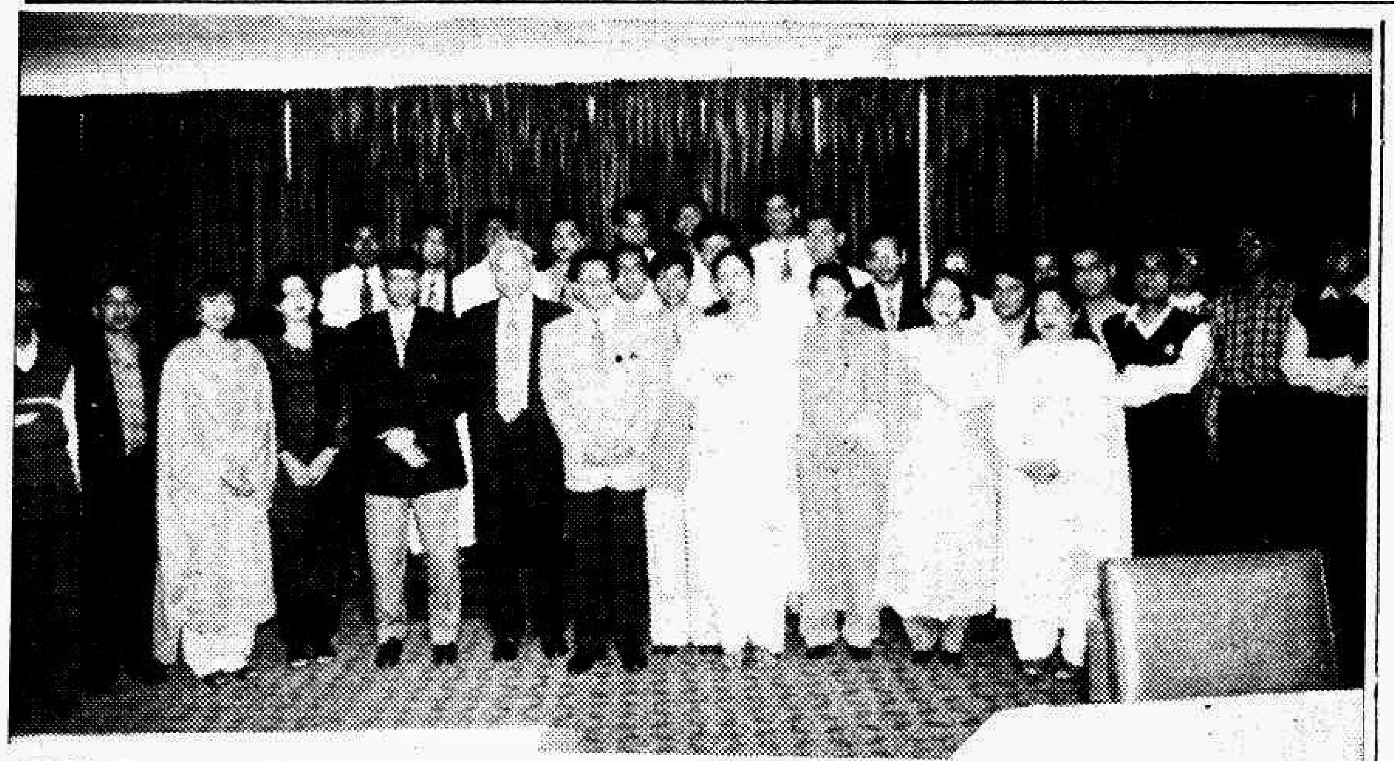
However, there was some support to the pound from hopes that the five interest rate cuts by the Bank of England, including a 0.5 percent cut on Thursday, will save Britain from entering a recession.

"The outlook for the UK economy has improved," Hayward said.

The Swiss franc was helped by international uncertainty following the death of Jordan's king Hussein and the succession by his 37-year-old son Abdallah.

The euro traded at 1.1235 dollars (1.1281), 127.72 yen (127.51), 0.6884 pounds (0.6891), 1.6017 Swiss francs (1.5985).

The dollar traded at 113.69 yen (113.02) and 1.4269 Swiss francs (1.4166).



Mahbub Jamil, President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), and C. K. Hyder, Secretary-General, MCCI, are seen with the newly-appointed Assistant Commissioners of Taxes, who have been assigned to MCCI to learn the work procedures of industrial establishments, on Sunday at the Chamber Conference Hall. — MCCI photo

Exterior-Interiors convocation held

Star Business Report

The convocation of the students of Exterior-Interiors (P) Ltd for the session 1996-97 was held at a city hotel on Sunday, says a press release.

K M Ejazul Huq, Secretary of Industries and Chairman of Berger Paints Bangladesh Limited, was present as chief guest.

Ashish Mitra, Managing Director of Exterior-Interiors (P) Ltd, gave a brief background on the operation of Exterior-Interiors (P) Ltd in Bangladesh.

Mashih-ul Karim, Managing Director of Berger Paints Bangladesh Limited, emphasized Berger's firm social commitment as a responsible corporate citizen.

The chief guest distributed diplomas to the successful students while the Managing Director of Berger Paints Bangladesh Limited, handed over the trophies and prize bonds worth of Tk 5,000/- to the three best students of the session.

The Managing Director of Exterior-Interiors (P) Ltd, distributed the medals among the three students.

The programme was attended by the passing out students, dignitaries, leading architects, faculty members and officials of Berger Paints Bangladesh Limited & Exterior-Interiors (P) Limited.

Taiwan announces short-term market-boosting package

TAIPEI, Feb 8 : Taiwan's government delivered a Lunar New Year gift to the ailing stock market Monday by announcing short-term measures designed to arrest a dramatic slide in share prices and bolster investor confidence, reports AFP.

The benchmark market index gained 2.0 per cent on the heels of the package unveiled late Sunday by Finance Minister Paul Chiu, who promised a longer-term stimulus package later in the week.

"Responding to market needs, the ministry decided on three short-term measures in order to restore investors' confidence and maintain a normal market mechanism," Chiu said.

The package eased restrictions on margin fund providers buying into stocks, required listed companies to step up disclosure of information and promised an investigation into speculation on the stock market.

Margin fund providers, such as securities financing companies, can negotiate with clients to buy underlying stocks from customers when the latter fail to deposit additional funds, or the stocks are not sold in the market.

They would need to sell the stocks within one year of their acquisition.

Relaxing restrictions on margin-related share trading was aimed at allaying margin call pressure, Chiu said.

Chiu said the authorities would ask listed companies to disclose their financial statements for 1998 earlier than April.

The measure is aimed at quelling rumours on financial troubles involving big enterprises which had added selling pressure to the already depressed market.

German industrial output stagnates in December

BONN, Feb 8 : German industrial output stagnated in December, data published by the finance ministry showed on Monday, reports AFP.

On a seasonally-adjusted basis, Germany's industrial output index was unchanged in December from the figure for November, the ministry said in a statement.

In November, output data had been revised to show a decrease of 2.1 percent.

S & P downgrades 9 Japanese firms

TOKYO, Feb 8 : Standard and Poor's Monday issued a devastating list of Japanese downgrades including NEC Corp., Japan Airlines Co. Ltd., Victor Co. of Japan Ltd. and Matsushita Electric Industrial Co. Ltd., reports AFP.

"The rating downgrades reflect the more difficult, less predictable environment for companies across the board in Japan," the New York-based credit rating agency said in a statement.

The list read like a roll call of Japan's top firms, also including Mitsubishi Estate Co. Ltd., Mitsubishi Electric Corp., Mitsui Fudosan Co. Ltd., Komatsu Ltd. and Asahi Glass Co. Ltd.

"In light of the heightened business and financial risks they face, Japanese corporates must achieve higher thresholds of earnings and cashflow generation, and maintain more conservative debt profiles, to sustain the level of credit quality they have enjoyed in past years," the agency said.

In short, it said, their credit protection measures must fall in line with international standards.

The lengthy economic slump had undermined much of the traditional support for companies, the agency said.

"In an increasingly deregulated environment, many companies have failed to implement the more focused, more disciplined strategies needed to succeed and maintain solid operating performance and financial measures."

Dhaka Bank makes Tk 11cr profit in '98

Star Business Report

Dhaka Bank Limited has earned a profit of Taka 11 crore in the year 1998.

This was revealed at a conference of the managers of the bank held at a hotel in Chittagong on Saturday, says a press release.

The conference was presided over by the Chairman of the bank, Abdul Hai Sarker.

During the year, the bank has attained a deposit growth rate of 32 per cent over the preceding year and a 72 per cent profit growth rate.

The year-end position of the bank stood at deposit Tk 523 crore and advance Tk 269 crore.

The Chairman expressed his satisfaction on the performance of the bank during 1998.

The bank now has 11 branches throughout the country and it has plan to open more branches including an Islamic banking branch to facilitate efficient and improved customer service throughout the country keeping in view the corporate goal of the bank, he added.

The Managing Director (current charge) emphasised the tough competitive market this year and the need of an excellent "team spirit" to tide over this difficulty.

Abdul Hai Sarker, Chairman of Dhaka Bank Limited, presides over the conference of the branch managers in Chittagong on Saturday.

Motorola wins $20.4 m contract in Singapore

SINGAPORE, Feb 8: Motorola Inc. has won a 33.7 million Singapore dollar (S 20.4 million) contract to replace the 10-year-old communications system on the island-wide Mass Rapid Transit System, the company announced Monday, says AP.

The US company's Commercial, Government and Industrial Solutions Sector will supply an integrated digital communications system called Dimetra to cover the 83-kilometre (51-mile) train route.

The system will be used to supervise and monitor the day-to-day operations of the passenger train fleet, providing instant communications anywhere in the network, reducing voice transmission delays and improving voice clarity, Motorola said.

Singapore's Mass Rapid Transit System is using a 10-year-old analog radio system.

Malaysian banks merge to make big business

KUALA LUMPUR, Feb 8 : Malaysia's Commerce Asset Holdings Bhd. sealed a pact Monday to acquire ailing Bank Bumiputra Malaysia Bhd. from the government for 1.4 billion ringgit (370 million dollars), reports AFP.

The merger, the biggest in the history of Malaysian banking, is expected to create the country's second-largest financial services group with a total asset base of 65 billion ringgit.

In a statement, Commerce Asset said the newly-merged Bumiputra Commerce Bank Bhd. would also have an extensive branch network.

Commerce Asset's banking unit Bank of Commerce has some 52 branches -- dwarfed by the 191 branches of Bank Bumiputra which also has offices in New York, London, Tokyo and Singapore.

As part of the deal, more than five billion ringgit of Bank Bumiputra's bad loans are expected to be sold to a state-backed agency, Commerce Asset executive director Rozali Mohamed Ali said.

Analysts estimate Bank Bumiputra's bad debts at 6.8 billion ringgit at the end of September last year.

Second Finance Minister Mustapa Mohamad said the new entity would be required to spin off its Islamic banking assets into a new Islamic bank to complement the activities of the existing Bank Islam Malaysia Bhd.

The second Islamic banking licence, to be initially issued to Commerce Asset, would then be returned to the government, he said.

The tie-up Monday brings a new lease of life to Bank Bumiputra, set up in 1965 and once the country's largest bank.

Exchange Rates

American Express Bank Ltd foreign exchange rate (indicative) against the Taka to clients.

Currency	Selling TT & OD	Selling BC	Buying T.T Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	48.7050	48.7450	48.3100	48.1570	48.0850
Pound Stg	79.8518	79.9174	78.6728	78.4237	78.3064
Deutsche Mark	28.4336	28.4570	27.4546	27.3677	27.3268
Swiss Franc	34.4351	34.4634	33.9041	33.7968	33.7462
Japanese Yen	0.4337	0.4341	0.4261	0.4247	0.4241
Dutch Guilder	25.2353	25.2561	24.3664	24.2893	24.2530
Danish Krona	7.4468	7.4529	7.2648	7.2418	7.2309
Australian $	32.2671	32.2936	30.9909	30.8927	30.8465
Belgian Franc	1.3786	1.3797	1.3311	1.3269	1.3249
Canadian $	33.0383	33.0654	32.0954	31.9938	31.9459
French Franc	8.4779	8.4849	8.1860	8.1601	8.1479
Hong Kong $	6.2978	6.3030	6.2218	6.2021	6.1928
Italian Lira	0.0287	0.0287	0.0277	0.0276	0.0276
Norway Kroner	6.3808	6.3860	6.2717	6.2518	6.2425
Singapore $	29.1996	29.2236	28.2680	28.1785	28.1363
Saudi Rial	13.0213	13.0320	12.8457	12.8050	12.7858
UAE Dirham	13.2976	13.3085	13.1167	13.0751	13.0556
Swedish Krona	6.2071	6.2122	6.1256	6.1062	6.0971
Qatari Riyal	13.4162	13.4273	13.2309	13.1890	13.1693
Kuwaiti Dinar	166.4844	166.6211	154.5178	154.0285	153.7982
Thai Baht	1.3237	1.3248	1.3101	1.3060	1.3040
Euro	55.6114	55.6570	53.6966	53.5265	53.4465

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	4.94	4.96875	5.03	5.06	5.15
48.0850	48.7050	GBP	5.625	5.5625	5.4375	5.375	5.375
		Euro	3.11	3.06	2.98	2.98	2.98

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.46/42.462	49.55/49.65	36.90/36.95	3.7999/3.8003	8850/8950	1174.5/1177.0

Amex notes on Monday's market

USD/BDT market was highly active on Monday. Continued shortage of USD was heightened after one of the major USD suppliers in the market remained absent due to their own internal requirement. Many market operators move to the central bank to meet up their import liabilities. Average transactions were done between 48.6900 and 48.7000.

Payments for government accepted T-bills worth BDT 9.37 billion in contrast to T-bills maturity of BDT 5.72 billion. There was a little pressure on the call rates and average call rates stayed within the range of 8.50%-9.00%.

The US dollar was stronger against the Japanese yen in late Tokyo trade as compared to the Friday's New York close level. The greenback had been supported by sharp drop in the long-term Japanese Government Bond (JGB) yields, which induced short-covering in USD/JPY position.

The gains of USD against the yen was restricted by sales from the Japanese exporters. The greenback was also supported by comments of, Japanese Vice Finance Minister for International Affairs, Eisuke Sakakibara on Monday. He said that excessive strength in the yen and an excessive rise in the JGB yields were undesirable. The euro stayed under pressure against the dollar in the Tokyo trade.

The dollar was firm in the early Europe on Monday, testing a record high on the euro in view of the on-going prospect of lower euro zone interest rates and up against the yen on falling JGB yields. The dollar was also firm against the Great Britain pound in the European trade.

At 9:20 GMT the majors traded against the USD at 113.69/113.74 JPY, 1.4254/1.4259 CHF, EUR at $ 1.1232/1.1235 and GBP at $ 1.6326/1.6336.

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 8-2-99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Mawlamyine	GI	Yang	MTA	26/1	12/2
J/2	Ecaterina A	GI	Mum	Sunshine	24/1	10/2
J/3	Al Quamar	Rice(G)	Hald	SL	24/1	9/2
J/4	Topaz	C.Clink	Cosh	MBL	28/1	8/2
J/5	Sai Kung	GI	Walu	Seaglory	21/1	13/2
J/6	General Mojica	R. Seed	Sing	Dolhin	18/1	12/1
J/7	Elikon	Wheat(P)	P.Said	PSAL	11/1	18/2
J/8	Iran Salam(48)	GI	Dubai	Everett	31/1	10/2
J/9	Al Bouraq	Wheat(G)	K.Dia	Lams	R/A	14/2
J/10	Blue Angel	Wheat(P)	Mad	AASS	11/1	14/2
J/11	Golden D	Wheat(G)	Mong	Lams	29/1	14/2
J/12	Kota Abadi	Cont	sing	Pil(BD)	31/1	11/2
J/13	QC Pintail	Cont	Sing	-	3/2	10/2
CCT/1	Lamphun Navee	Cont	Col	Baridhi	31/1	9/2
CCT/2	QC Mallard	Cont	P.Kel	QCSL	30/1	9/2
CCT/3	Xpress Resolve	Cont	Sing	RSL	30/1	10/2
RM/14	Younglly	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/4	Sceptre	Cdso	Darb	Rainbow	25/1	9/2
RM/6	Talana	Urea	B.Kam	Seacom	18/1	13/2
DOJ	Larissa	HSFO	Sing	ECSL	4/2	7/2
DDJ/1	Tanary Star	IDLE	Para	PSAL	-	28/2
RM/9	Banglar Jyoti	Repair	-	BSC	R/A	10/2

Vessels due at outer anchorage:

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Dubai Glory	8/2	-	Seacom	R.phos	-
Al Muztuba	8/2	Viza	Cla	Rice(P)	-
Xing Ye	10/2	-	MHCSL	Rice(P)/GI	-
Banga Birol 25/1	102	Sing	Bdship	Cont	Sing
Bo Tong Gang	11/2	-	USTC	Rice(G)	-
S.S. Leader	9/2	Beau	SSST	Wheat(G)	-
Budi Teguh (Cont)1/2	10/2	Sing	RSL	Cont	Sing
Bunga Mas Enam 31/1	9/2	-	EOSL	Cont	Sing
Golden Gate	10/2	HOUS	LAMS	Wheat(G)	-
Kyong Song	9/2	Zhan	Move	R. Phos (TSP)	-
Jollity	9/2	Mong	OTBL	In Ballast	-
QC Teal (cont) 27/1	9/2	Sing	QCSL	Cont	MGL
Albatross-III	14/2	Kand	SMSL	Rice	-
Hafina	12/2	-	Mhcsl	Rice(G)	-
Taraman Bibi	12/2	-	USTC	Cement	-
Martina	15/2	-	Viking	Cement	-
A.A. Venture	17/2	-	CLA	Rice(P)/GI	-
Sea Coral	10/2	-	USTC	Rice(G)	-
Acacia	10/2	Sing	Baridhi	Cont	Sing
Makassar Express (Cont) 31/1	10/2	Sing	RSL	Cont	Sing
Bhavabhuti	11/2	Cinm	SSLL	GI	-
Teresa Prestise (48) 3/2	12/2	-	Everett	GI	-
Dragon Brani 1/2	11/2	Sing	NOL	Cont	Sing
Banglar Robi (Cont) 7/2	11/2	Sing	BSC	Cont	Sing
Sin Hai (Cont) 7/2	12/2	Sing	RSL	Cont	Sing
Norbulk Seraya	12/2	-	Prog	Cont	Sing
Asian Prosperity (Roro/24) 31/1	13/2	Sing	JF	Vehi	-
Kota Cahaya	15/2	Sing	Pil(BD)	Cont	Sing
Albatross-II	14/2	Kand	SMSL	Rice	-
Ingenuity 17/1	14/2	Sing	RSL	Cont	Sing
Sarah-1	15/2	Kara	SMSL	Rice/GI	-
Kota Berjaya 1/2	15/2	Sing	Pil(BD)	Cont	Sing
Shui Cheng	15/2	-	Bdship	GI	-
Bangalr Shikha (Cont) 7/2	15/2	Sing	BSC	Cont	Sing
Dragon Kalimantan (Cont) 7/2	16/2	Sing	Nol	Cont	Sing
Alpine	16/2	Yang	Smsl	GI	-
Banga Biraj (Cont) 7/2	19/2	-	Bdship	Cont	Sing
Brisa Azul	24/2	-	Everett	GI	-
Amrta-VII	26/2	-	Everett	GI	-

Tanker due:

Hektor	8/2	Para	MBL	-	-
Stavanger Pride	8/2	Sing	MSTPL	HSD/MS	-
Clarity	11/2	Juba	ECSL	HSD	-

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Seabulk Command	-	-	IBS	R/A(25/10)
Champion	Wheat(G)	Texas	SSST	2/2
Al Swamruz	Wheat(G)	-	ASLL	R/A (6/2)

Vessels at outer anchorage:

Ready on

Xiang Jiang	GI	Sing	Bdship	1/2
Yang Lin	GI	Xing	Bdship	1/2
Abuja (Cont)	cont	Col	Baridhi	1/2
Meraks	Tsp/Pssp	Qinz	USTC	8/1
Sylvia	Rice(G)	Kand	USTC	3/1
Sea Gallant (Cont)	Cont	Sing	Pil(BD)	2/2
Multan	Rice(P)	Kara	BSC	30/1
Meghna (Cont) 2/2	Cont	-	Bdship	R/A(4/2)
Dos Oriente	GI	Bank	MBL	5/2
Sea World	Wheat(G)	K.dia	Lams	R/A(5/2)
Ever Cheer (48)	GI	Sing	RML	5/2
Orient Bliss	Rice(P)	Kand	AASS	2/2
Banglar Mookh	Wheat(G)	K.Dia	Frank	R/A(5/2)
Bunga Mas Lap (Cont)	Cont	P.Kel	-	5/2
Spring Trader (24)	GI(Loco)	Sing	Everett	5/2
Ding An (48)	GI	Sing	RML	6/2
Banglar Gourab	Wheat(G)	-	BSC	R/A(1/2)
Sunsin	C.Clink	Sing	PSAL	6/2
Kota Naga (Cont)	Cont	Sing	Pil(BD)	7/2
Alam Selar	R.Seed	Sing	Rainbow	3/2

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