WB, Indonesia at odds over rice tariff

JAKARTA, Feb 17: Indonesia and the World Bank are at odds over a plan to impose a tariff on rice imports here, with Indonesia seeking up to 30 per cent and the World Bank five per cent, Food and Horticulture Minister A M Saefuddin said, reports AFP.

"It think a five per cent import tariff will not protect our farmers," Saefuddin told journalists at the state palace after accompanying Cheretham Salt Ltd. Director W J Poynton of Australia to a meeting with President Habibie.

"The ideal increase would be around 20 to 30 per cent."

He said the planned import tariff was currently under negotiation between the relevant ministers and the International Monetary Fund and World Bank, without giving further details.

According to Saefuddin, Australia based Cheretham Salt Ltd. is planning to invest 16 million dollars in the Indonesia salt industry.

Saefuddin said Cheretham Salt would allocate part of the investment to construct a refinery plant to produce salt for industrial uses in Cilegon, west Java province.

The 50,000 tonnes per year refinery would cost six million dollars, Saefuddin said the company would also set up a joint venture with a local partner to produce salt for industrial use with that plant to be located in Madura, east Java.

Poynton said he expected the investment to be realised "as soon as possible."

Saefuddin said Indonesia needed 750,000 tons of the salt per year of which 740,000 tons is imported.

Foreign debt may stand at $59b

Xinhua says: the Indonesian government foreign debt is expected to stand at 59 billion US dollars by the end of the 1998-99 fiscal year ending March 31, a senior official said.

The amount of foreign debt until December 31, 1998 was 57 billion dollars, Finance Minister Bambang Subianto said Tuesday during a parliament hearing, press reports said today.

In addition to the government loans, the country is also burdened by mounting private foreign debts which stand at about 80 billion US dollars.

The 70 per cent depreciation of the rupiah (national currency) against the US dollar since July 1997 has made it virtually impossible for private companies to repay their debts.

Lankan garments export earnings rise by 17.7 pc

COLOMBO, Feb 17: Sri Lanka's biggest foreign exchange earner, the textile and garment industry, has earned 159 billion rupees (2.3 billion US dollars) last year, a 17.7 per cent rise over 1997 in rupee terms, the Sri Lanka customs said today, reports Xinhua.

The customs said the industry accounts for about half of Sri Lanka's total export earnings in 1998.

The government had taken several measures to strengthen the industry to be prepared to meet the challenges of a quotaless textile trade in the next millennium.

Local industrialists had been encouraged to produce fabrics and other raw material for the industry. The move will help save an enormous sum of foreign exchange being spent on raw material import.

The Textile Training and Services Centre and the Clothing Industry and Training Institute provided comprehensive training and services to people engaged in this sector.

French trade surplus shrinks in '98

PARIS, Feb 17: France's trade surplus shrank in 1998 to 160 billion francs (24.39 billion euros, 27.8 billion dollars), down from 166.5 billion francs in 1997, and is expected to fall further this year, officials said today, reports AFP.

The trade surplus for December was 17.2 billion francs, up from 16.0 billion in November, giving an annual surplus of 160 billion, the customs authorities said.

Foreign Trade Minister Jacques Dondoux said that the surplus for 1999 was expected to fall further, to around 150 billion francs (23 billion euros), but said France had achieved a solid performance in 1998 after a record surplus in 1997, given the Asian crisis and other world economic problems.

Dondoux told a press conference that to attain a surplus of 150 billion francs this year, companies should focus on trade with the European Union and the United States, which will be the engines of world economic growth despite expanding more slowly than in 1998.

The trade surplus with Germany widened in December to 2.2 billion francs from 2.0 in November and the surplus with all France's EU partners rose to 5.6 billion francs from 5.3 billion.

The deficit with Japan widened slightly to 2.6 billion francs from 2.3, but the deficit with the United States almost doubled in December to 1.4 billion francs from 740 million the previous month.

Sales of Airbus planes, which often account for differences in the monthly performance, were little changed in December, with 17 planes sold for 7.3 billion francs, compared with 18 in November for 7 billion.

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	BC		TT Clean	OD Sight Doc	OD Transfer
48.7100	48.7500	USD	48.3150	48.1549	48.0708
0.4153	0.4156	JPY	0.4048	0.4035	0.4028
34.4240	34.4423	CHF	33.7631	33.6512	33.5222
28.8310	28.8547	SGD	28.3289	28.2351	28.1857
32.7682	32.7952	CAD	32.0498	31.9435	31.8244
6.1718	6.1769	SEK	6.0681	6.0480	6.0352
31.4764	31.5023	AUD	30.2307	30.1305	29.9337
12.8862	12.8968	MYR	12.6811	12.6391	12.6071
6.2957	6.3009	HKD	6.2278	6.2071	6.1939
13.0342	13.0449	SAR	12.8426	12.8000	12.7675
13.2989	13.3099	AED	13.1180	13.0746	13.0411
0.0415	0.0415	KRW	0.0411	0.0409	0.0409
80.3082	80.3741	GBP	78.6423	78.3817	78.1006
55.7145	55.7603	EUR	53.4992	53.3219	53.2288

Usance Export Bills

TT DOC	30 days	60 days	90 days	120 days	100 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	Maql. Ringit	Indo. Rupiah	Sing. Dollar
42.430/42.530	50.92/51.02	36.92/36.96	3.7900/3.8000	8675/8775	1.6970/1.6980

US dollar

	Buying	Selling
Cash notes	48.15	48.75
TC	48.1	48.7

Libor

	1 Month	3 Months	6 Months	12 Months
USD	5.62875	5.28063	5.15813	5.15609
GBP	65	6.34813	6	5.67531

Market Commentary

The demand for dollar was extremely high in the local forex market on Wednesday. Slower exports and drop in inward remittances caused the dollar crisis in the market. The demand will boost further in the coming weeks due to higher import payments. In the interbank market, the greenback traded in a range of BDT 48.71 to BDT 48.75. The call money market was in a insipid state and the rate ranged between 7.0 to 7.5 per cent.

In the kerb market, cash US dollar notes traded between BDT 48.78 and BDT 48.90.

In the international markets, dollar gained against yen though there were signs of dollar-selling to book profits. Earlier yen sentiment was severely damaged when the Japanese authorities said they would accept a weaker yen if it was for the right reason. Dollar was also strong against the euro with sentiment in the European currency soaring ahead of the European Central Bank's regular policy meeting this week.

At 1625 hours local time, USD traded at 118.56/61 JPY, GBP at 1.6355/65 USD and euro at 1.1227/30 USD.

Traders go about their business next to US and Japanese flags displayed in the dealing room of the Tokyo foreign currency market yesterday. The dollar traded at 118.34-37 yen at 9:00 am (0000 GMT), down from 118.70 yen in New York Tuesday afternoon but still up from 117.00-03 yen here late Tuesday.

— AFP photo

Anglo-Canadian group signs deal with Iran

TEHRAN, Feb 17: An Anglo-Canadian group signed a 200-million-dollar deal with Iran on Tuesday to develop a Gulf oil field, despite a US law aimed at blocking investment in the Islamic republic's energy industry, reports AFP.

The two-year deal with Canadian firm Bow Valley and Britain's Premier Oil announced by the official IRNA news agency is valued well above the threshold set by the so-called D'Amato law that came into force in 1996.

The United States, which accuses Iran of sponsoring global terrorism, imposed a unilateral economic embargo in 1995 and its Iran-Libya sanctions act threatens reprisals against any company investing more than 20 million dollars in those countries oil sectors.

Andrew Shisko, Senior Trade Commissioner at the Canadian embassy in Tehran told IRNA the deal for the Balal field in the Gulf was approved two weeks ago at an economy council meeting chaired by President Mohammad Khatami.

Under the two-year "buy-back" agreement, Bow and Premier will be reimbursed for investment costs with a share of the production, IRNA said.

Balal, situated southwest of the Iranian island of Lavan, has reserves of 80 million barrels and is expected to produce between 35,000 and 40,000 barrels a day, the agency said.

A large economic delegation from Canada, with representatives from about 30 mostly energy companies, is currently in Tehran.

Iran embarked on a programme three years ago to open its nationalised energy sector to foreign companies and last year Khatami called for greater efforts to modernise the industry and discover new fields.

The second largest oil producer within OPEC, Iran depends on oil for more than 80 per cent of its hard currency revenues and has been hard hit by the plunge in crude prices.

Last year it put ground 30 oil and gas projects in the Gulf and Caspian Sea regions up for international tender on a "buy-back basis."

French energy group Total, in partnership with Russia's Gazprom and Petronas of Malaysia, was the first to challenge the US law when it signed a two billion dollar deal in 1997 to develop an Iranian giant field in Gulf waters.

But in the face of strong international pressure, Washington finally granted the project an exemption.

Two years earlier, Total signed a contract to develop the Sirri oil fields, also in the Gulf.

Shipping Intelligence

Chittagong port

Berth position and performance of vessels as on 17-2-99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Yang Lin	GI	Sing	Bdship	1/2	22/2
J/2	Xiang Jiang	GI	Sing	Bdship	1/2	19/2
J/3	Sea World	Wheat(G)	K Dia	Lams	R/A	23/2
J/4	Al Muztuba	Rice (P)	V Pat	CLA	9/2	17/2
J/5	Sai Kung	GI	Walu	Seaglory	21/1	17/2
J/6	General Mojica	R Seed	Sing	Dolphin	18/1	18/1
J/7	Elikon	Wheat(P)	P.Said	PSAL	11/1	22/2
J/8	Multon	Rice (P)	Kara	BSC	30/1	22/2
J/9	Al Bouraq	Wheat (G)	K.Dia	Lams	R/A	18/2
J/10	Merak S	TSP/PSSP	Qinz	USTC	8/1	22/2
J/11	Sylvia	Rice (G)	Kand	USTC	30/1	22/2
J/12	Banglar Shikha	Cont	Sing	BSC	15/2	20/2
J/13	Budi Teguh	Cont	Sing	RSL	11/2	19/2
CCT/2	Bunga Mas Enam	Cont	P. Kel	EOSL	9/02	17/2
CCT/3	Banga Birol	Cont	Sing	Bdship	10/2	18/2
RM/15	Viva Treasure	Cement	Sing	USTC	1/2	17/2
CCJ	Sunsin	C.Clink	Sing	PSAL	6/2	24/2
GSJ	Sailor-1	Wheat (G)	P.Said	Ancient	3/2	19/2
TSP	Dubai Glory	R.Phos	HANR	Seacom	8/2	21/2
RM/3	Kilchem Octeania	Tallow	Adel	Tsl	16/2	17/2
RM/6	Clarity	HSD	Sing	ECSL	12/2	17/2
DDJ/1	Tanary Star	IDLE	Para	PSAL	-	28/2
DDJ/2	Ocean World	GI	Sing	Abahoni	11/2	18/2
RM/8	Well Speeder	C. Clink	Sing	PSAL	28/1	27/2
RM/9	Banglar Robi	Repair	-	BSC	11/2	21/2
SM/10	Tug Ocean Silver-8	-	-	ILAPSL	R/A	-
CUFLJ	Mary Nour	Cement	Mala	BSL	15/2	26/2

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Brighton 14/2	17/2	Sing	RML	GI	-
Jiang Chuan	17/2	-	Bdship	GI	-
Sea Coral	17/2	-	USTC	Rice(G)	-
Kota Singa	17/2	Sing	Pil (BD)	Cont	Sing
Chettined Tradition	18/2	Tibu	LSC	Wheat(G)	-
Xing Ye	18/2	-	MHCSL	Rice(P)/GI	-
Taraman Bibi	18/2	-	USTC	Cement	-
Sarah-1	18/2	Kara	SMSL	Rice/GI	-
Yasmina	18/2	Viza	SMSL	Rice(P)	-
State of Nagaland	18/2	Tamp	Angelic	GTSP(P)	-
Hafina	19/2	-	MHCSL	Rice(G)	-
QC Mallard 14/2	18/2	Sing	QCSL	Cont	Sing
Banga Biraj (Cont) 7/2	19/2	-	Bdship	Cont	Sing
Johan Crystal	19/2	-	Viking	Mop	-
Leona	20/2	-	Prog	GI	-
Xpress Resolve 15/2	20/2	Sing	RSL	Cont	Sing
Gumbet	20/2	Sing	OTBL	Ballast	-
Stepan Geyts	20/2	Mum	Cross	GI	-
Sape Star	20/2	-	Oil	GI	-
Kota Abadi 11/2	20/2	Sing	Pil(BD)	Cont	Sing
Banglar Moni	20/2	Sing	BSC	Cont	Sing
Sea Success-1 14/2	20/2	Sing	RSL	Cont	Sing
Eagle Prosperity	20/2	Sing	RSL	Cont	Sing
Martina	21/2	-	Viking	Cement	-
Sinzan 16/2	21/2	-	Viking	Cement	-
Abuja 11/2	21/2	Col	Baridhi	Cont	Col
A.A. Venture	22/2	-	CLA	Rice(P)/GI	-
QC Pintail 14/2	22/2	Sing	QCSL	Cont	Sing
Bunga Mas Lapan	23/2	-	EOSL	Cont	Sing
Brisa Azul	24/2	-	Everett	GI	-
Ingenuity 17/1	25/2	Sing	RSL	Cont	Sing
Makassar express 16/2	25/2	Col	Baridhi	Cont	Col
Banglar Mamata	25/2	Mong	BSC	GI	-
Amrta-Vii 3/2	26/2	-	Everett	GI	-
Qc Teal 14/2	27/2	Sing	QCSL	Cont	Sing
Meghna 14/2	28/2	Sing	Bdship	Cont	Sing

Tanker due

Conny	19/2	-	Seacom	S.Oil	-
Chilham Castle	20/2	Mina	Atlantic	HSD	-
Eburna	20/2	Sing	ECSL	HSD	-

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Seabulk Command	-	-	IBS	R/A(25/10)
S. S Leader	Wheat(G)	Beau	SSST	9/2
Blue Angel	Wheat(G)	-	Frank	R/A (14/2)

Vessels at outer anchorage

Ready on

Orient Bliss	Rice(P)	Kand	AASS	2/2
Banglar Mookh	Wheat(G)	K.Dia	Frank	R/A(5/2)
Banglar Gourab	Wheat(G)	-	BSC	R/A(1/2)
Banglar Asha	Wheat(G)	-	BSC	R/A (24/1)
Banglar Shobha	Wheat(G)	-	BSC	R/A (6/2)
Griogoriy Kovalohuk	Rice(P)	Kaki	SMSL	7/2
Kyong Song	R.Phos	Zhan	Move	9/2
Oh Shan Tok	Rice(G)	V. Pat	USTC	6/2
ACACIA (Cont)	Cont	Sing	Baridhi	11/02
Dragon Brani (Cont)	Cont	Sing	NOL	11/2
Al Swamruz	Wheat(G)	K Dia	Frank	R/A (10/2)
Commencement	Rice(G)	Sing	Ancient	7/2
Banglar Urmi	Rice(G)	-	BSC	R/2 (5/2)
Norbulk Seraya	GI	Taiw	Prog	12/2
Teresa Prestige	GI	Yang	Everett	12/2
Kota Berjaya	Cont	Sing	Pil (BD)	14/2
Topaz	Wheat(G)	K.Dia	Lams	R/A (14/2)
Bhavabhuti	GI	Chinm	SSLL	14/2
Kota Cahaya	Cont	Sing	Pil(BD)	14/2
Sin Hai	Cont	Sing	RSL	14/2
Seagul Fortune	Wheat(G)	K.Dia	Frank	R/A(15/2)
Galea-II	CDSO	P Loues	Seacom	1/2
Shui Cheng	GI	INCH	Bdship	15/2

Vessels not entering

Alam Selar	R.Seed	Sing	Rainbow	3/2
Shinobu	Scraping	Falm	ARL	25/1
Cortesia Ducking	Scraping	Kaos	UMTL	8/2
Jollity	Ballast	Mong	-	12/2
Rio Venture	Cement	T.Peek	PSAL	11/2

Movement of vessels for 18.2.99

Outgoing	Incoming	Shifting
J/2 Xiang Jiang	T. Pestige	J/1 Yang ling to J/8
RM/6 G.Mojika	J/6 Bhabavuti	J/6 G. Mojica to Kafco(U)
J/9 al Bouraq	RM/5 Albatross	RM/6 B. Moni to J/9
CCT/2 Prosrich	Acacia	J/8 Multon
CCT/3 b. Birol	CCT/1 D.Brani	
RM/6 B. Mookh	CCT/3 Kota Berjaya	

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

Japan to release $ 600m aid to Philippines

MANILA, Feb 17: Japan agreed Wednesday to release $ 600 million in financial assistance to the Philippines as part of its $1.4 billion aid package to the country under the so-called Miyazawa fund, reports AP.

The $600 million will be plowed into programmes to strengthen the Philippines' banking and power sectors, and is tied to the passage of four economic reform bills in those areas.

An agreement to release the funds was signed in Manila by Philippine Finance Secretary Edgardo Espiritu and Hidemi Kawai, executive director of the Export-Import Bank of Japan.

In addition, Japan's Eximbank will provide a further $600 million which will be evenly split to help finance a World Bank banking system reform loan programme for the Philippines and a loan arranged by the Asian Development Bank to reform the country's power sector.

"The development areas to be covered by these two agreements will have a far-reaching impact in reinforcing the country's economy to withstand financial shocks and be more efficient under a global environment," Espiritu said in a statement.

US oil company to invest $2b in Asia

BANGKOK, Feb 17: US oil company Conoco Inc on Wednesday announced plans to invest $2 billion in the Asia Pacific region over the next five years, including $100 million in Thailand, reports AP.

Conoco's chief executive officer, Archie Dunham, disclosed the plans at a news conference held to announce that the company's Thai unit has opened 100 service stations branded with the name JET.

Conoco describes itself as the sixth-largest oil company in the United States.

Conoco opened its first gas station in Thailand in 1993, and last year spent one billion baht ($27.17 million) opening 25 new gas stations with adjoining Jiffy convenience stores.

Dunham said the $100-million slated for Thai operations will go into opening another 100 new gas stations and convenience stores by the year 2002. In 1999 alone, the company would open 5-6 new gas stations and convenience stores.

Most of the rest of the $2-billion budget for the Asia-Pacific region will go to existing gas and oil exploration and production projects.

"To be sure, Asia is overshadowed by economic and political difficulties at the moment," Dunham said in a statement. "But we regard these difficulties as purely transitional. Long-term, we see a very bright future."

Conoco may spend more than $100 million in Thailand if it can find suitable partners for investing in refineries, he said. The company has a 40 per cent stake in a refinery in Malaysia and plans to expand capacity elsewhere in Asia, though not necessarily Thailand.

"From a pure economic point of view, if we find a very good opportunity, very profitable opportunity, we'll invest (in a refinery) here," Dunham said. At the moment, however, Conoco is not holding talks with any Thai refiners, he said.

Conoco set up its Thai unit, Conoco (Thailand) Ltd., in 1991. The local unit has spent a cumulative total of 4.5 billion baht ($122.28 million) and is expected to break even either this year or next.

Conoco (Thailand) has a 3.4 per cent share of the Thai gasoline market which it hopes to increase to 7 per cent in five years, Dunham said.

Emirates offers competition for Dubai Shopping Festival

All passengers flying with Emirates between February 1 and March 18 are eligible to enter an inflight competition and stand a chance to win a holiday for four to Dubai, says a press release.

During this period, Emirates is running a special competition on board its flights, which is aimed at raising awareness for the annual Dubai Shopping Festival (DSF) that takes place between March 18 and April 14.

DSF questionnaires and entry forms are placed in all seat pockets on all Emirates flights. The questions focus on the DSF, Emirates and Dubai. All a passenger has to do is to answer the questions, complete the entry form and hand this over to the cabin crew or mail it to the address stated on the form.

Ghaith Al Ghaith, Emirates' Commercial Operations Director, said: "The competition exposes the Dubai Shopping Festival to approximately 200,000 passengers during that period".

Attractive prizes of 10 family holidays are waiting to be won. Each holiday, for up to four persons per group, includes return Economy airfares on Emirates, a week's accommodation at the Le Meridien Jumeira Beach Hotel, a desert safari and dune dinner by Arabian Adventures, and all arrangements for entry visas, airport arrival and departure assistance and transfers.

Euro falls to record low in London

LONDON, Feb 17: The dollar surged against the yen and euro here on Tuesday, rising to new heights against the single currency amid expectations of a cut in European interest rates, reports AFP.

The euro was being traded at its lowest level since its January 4 market debut at 1.1189 dollars from 1.1225 dollars late on Monday.

The dollar was being traded at 117.66 yen from 117 yen earlier in Tokyo and 115.57 yen here late on Monday.

A currency strategist at Deutsche Bank, Paul Meggyesi, said that the yen weakened following various comments from the Japanese authorities.

The Bank of Japan, in its monthly report on the economy, warned that rising long-term interest rates threatened to undermine and economic recovery promised by government leaders.

Finance Minister Kiichi Myazawa, meanwhile, said that his ministry planned to cut the size of a 10-year bond issue and increase two-year and six-year bond issues, as part of a drive to contain rises in long-term interest rates.

An easing of the Japanese bond market spiked the dollar higher against the yen.

Investors also reacted to comments made by Deputy Finance Minister Eisuke Sakakibara, known as Mr Yen for his influence on currency markets, who was quoted as saying that he was in favour of a weaker yen against the dollar.

The dollar capitalised on its gains against the yen to rise higher against the euro.

The fall in the value of euro gathered pace amid expectations that the European Central Bank might reduce its interest rates in a bid to invigorate the flagging European economy.

For his part, Meggyesi said: "I don't think a rate cut is probable but people are more concerned after Oskar Lafontaine's comments on Monday."

German Finance Minister Oskar Lafontaine, who will attend the meeting on Thursday of the European Central Bank's policy-making governing council, said that he blamed in part the ECB for the high German unemployment rate.

The Deutsche Bank strategist said that the euro might weaken in the coming session, but that is would bottom out no lower than 1.10 dollars.

The pound rose against the euro on the coat tails of the dollar. The pound also gained slightly from British inflation figures showing that inflation was above the government's 2.5 per cent target in January for the second month in a row.

Underlying inflation rose by 2.6 per cent on a 12-month comparison last month.

Crude oil prices doomed to long slump

LONDON, Feb 17: The long slump of oil prices is doomed to continue, the head of oil giant BP-Amoco, John Browne, said yesterday, reports AFP.

Brent North Sea oil prices have collapsed by 47 per cent in the last 18 months, owing partly to overproduction by OPEC cartel countries and partly to failing demand at a time of a generally slowing world economy.

Browne told the International Petroleum Institute in London that "it is hard to see a rapid rebound of prices from current levels because of the extent of stock."

He said: "Demand is rising, but at a relatively modest rate, and the only thing which would produce a price increase in the short term would be further constraints on production."

However, he said that the oil price, which was 10.45 dollars a barrel on Tuesday, had bottomed out. "I don't think that anything much below 10 dollars is sustainable for very long because the fundamentals of supply and demand would be disrupted by lack of investment."