

China postpones
reforms in
stock-brokerages

SHANGHAI, Mar 10: China has postponed reforms of its stock brokerages, but overhauling the industry remains a top priority, a top regulator said in reports published Wednesday, reports AP.

Zhou Zhengxing, head of the China Securities Regulatory Commission, confirmed reports by brokers who said his agency had blocked a series of proposed mergers.

Regulators will postpone a July 1 deadline for brokerages to increase their capital to guard against market crises, Zhou said in comments published on the front pages of major Chinese financial newspapers.

Zhou, who didn't give a new deadline, appeared to be trying to defuse a growing dispute with brokerages, which want more time to raise new capital.

The capital requirements are a key part of China's first comprehensive securities law, passed in December and meant to bring order to poorly regulated, wildly fluctuating financial markets.

Many brokerages have negotiated mergers to meet the higher standards, but brokers say regulators blocked several because they hadn't been consulted.

Taiwanese firm
start cleaning up
toxic waste
in Cambodia

PHNOM PENH, Mar 10: A Taiwanese petrochemical firm has begun cleaning up nearly 3,000 tons of toxic waste in Cambodia that has been blamed for the deaths of six people, the government official who negotiated its removal said Wednesday, reports AP.

Local newspapers reported Tuesday the recent arrival of 20,000 containers at Siem Reap seaport, 10 kilometers (six miles) from where the mercury-laced waste of Formosa Plastics Corp. was dumped in December.

Formosa has hired 160 Cambodian soldiers to pack the waste and surrounding top soil into the environmentally sound containers, said Om Yenteng, a top aide of Prime Minister Hun Sen.

They have started the operation, Om Yenteng said. "It is a military job. They will repack, clean up and transport the waste," out of Cambodia, he said.

The Taiwanese company negotiated an agreement with Om Yenteng on Feb. 25 to clean up the dump site within 60 days, but has so far refused to discuss the Cambodian government's demands for a multi-million-dollar compensation package for damage to the environment.

BATB wins
EH&S Silver
Merit Award

British American Tobacco Bangladesh (BATB) has been awarded the British American Tobacco EH&S Silver Merit Award for achieving Zero Lost Time Accident during 1998, says a press release.

This prestigious award is given to operating companies of British American Tobacco which did not experience and Lost Time Accident in any of its company units throughout the country over a period of one calendar year.

British American Tobacco emphasises on international environmental, health and safety (EH&S) standards in all its operating companies worldwide, putting safety of its employees and contractual staff even above production.

In compliance with British American Tobacco's high EH&S standards, British American Tobacco Bangladesh has made substantial investments to ensure safe working conditions in all its units.

British American Tobacco also gives EH&S merit award, which is different from the Silver Merit Award, to individual units of a company for zero LWC (accident) operation for 365 days.

The Company's GLT (green leaf threshing) plant in Kushtia bagged the EH&S Merit Award in 1995, 1996 and 1997 while Dhaka factory received this award in 1995 and 1996.

Unemployment
rate up in
Germany

NUREMBERG, Germany, Mar 10: German unemployment fell slightly in February but the rate rose, official data showed yesterday, reports AP.

The number of people unemployed fell by 6,000 on an adjusted basis, the labour office here said. But the overall rate rose to 11.6 per cent from 11.5 per cent in January.

The office said: "In the end, whether there is a slight fall or a slight increase all depends on the severity of the winter. This year, the month of February was rather cold."

It is still impossible to see clearly to what extent weakness of the economic situation is affecting the labour market.

The total number of people looking for work in Germany rose to 4.464 million compared with a particularly high figure of 4.8 million in February 1998.

In the west of the country, the unadjusted unemployment rate was 9.7 per cent, the same as in January, but in the east of the country it rose to 19.1 per cent from 18.9 per cent.

India cuts int'l phone
call charges by 50pc

NEW DELHI, Mar 10: India on Tuesday cut long-distance call charges by 50 per cent over a three-year period but steeply raised telephone rental rates in a step aimed at reducing subsidies, reports AP.

S S Sodhi, chief of the Telecom Regulatory Authority of India (TRAI), said the Telecommunications Tariff Order 1999 was a "first step in the direction of reform in telecom pricing."

Sodhi stressed that even with the cuts telecom tariffs would remain significantly out of step with prices in more competitive markets.

"We have a long way to go, but we are confident that we

will reach the objective of competitive pricing of telecom services in India, having taken the first and the most difficult one on that road."

"At the best of times such an undertaking is a difficult one, but in our case it has been particularly so because of the information and data inadequacies and incomplete institutional reform in the sector."

Calls from India to six other South Asian nations will cost 48 per cent less by 2002, while calls to countries in Africa, Europe, the Gulf, the rest of Asia and Oceania will be cut 53 per cent to 32.40 rupees (76 cents) a minute.

"Countries in the American

continent and other places in the western hemisphere will be slashed 51 per cent to 40.80 rupees per minute over the next three years," Sodhi told reporters.

India's telecoms rates were last revised in 1993.

Sodhi ordered an 140 per cent increase in telephone rentals for city subscribers and a 40 per cent rise for rural subscribers.

Phone rentals in cities would cost from 120 rupees to 250 rupees a month while rural telephone owners would have to pay 70 rupees.

The rates will take effect from April 1.



Finance Minister Shah A M S Kibria addresses the conference of area, Regional and Corporate Branch Heads of Janata Bank at a hotel in the city yesterday. Mohammad Ali, Chairman of the bank and a former secretary, presided over the function while M A Hashem, Managing Director, Dr Debapriya Bhattacharya, Lutfur Rahman Khan, Shamsuddoha Khan Majlish, Directors, Golam Rahman, Additional Secretary, Banking wing of the Ministry of Finance, and Aminul Islam, DMD of the bank, also spoke.

—JB photo

Kibria says at JB confce

Global crisis may take
toll on remittance

Star Business Report

Finance Minister Shah AMS Kibria has said that the current global financial crisis may take toll on remittance, one of Bangladesh's main foreign exchange earning sources.

"The country has so far been able to guard against any major negative impact of the world financial meltdown. But this may not be possible in the near future," he said while addressing a conference of the area, regional and corporate managers of Janata Bank at a city hotel yesterday.

The unfavourable economic conditions in different parts of the globe and the sharp fall in oil prices have left a negative impression on the economies of the Middle East countries, our main sources of remittance, he added.

"But we are not expecting lower export performance," said Kibria.

Urged the bankers to have a

look at the total picture of world economy, the minister called for improving efficiency in the banking sector.

"I have interviewed some of the bankers and their 'very poor knowledge about the economy' frustrated me," the minister said. "You must look at the total picture, rather than focusing on your own affairs only."

Otherwise, you won't understand the situation from a global perspective."

Kibria also categorically mentioned that the present government had no plan to privatise the Janata Bank.

"But it needs reforms and has to improve its quality, particularly its loan disbursement and recovery," he said, emphasising the need for implementing different recovery and monitoring methods. "We will not compromise on recovery of loans."

The finance minister said

that he did not feel comfortable with the garment exporters' allegation that they were not getting proper and timely cash incentives.

"Our exporters are facing serious competition and we have to extend our all-out support which had been committed."

Presided over by Mohammad Ali, Chairman of the Board of Directors of the bank, the inaugural ceremony was addressed, among others, by MA Hashem, Managing Director, Dr Golam Rahman, Additional Secretary of the Finance Ministry, Samsuddoha Khan Majlish, Debapriya Bhattacharya and Lutfur Rahman Khan, Directors of the bank.

Debapriya said that the country's banking sector now needs institutional and legal supports as there had been some positive changes in it over the past few years. He said that the country could not allow further increase in loan defaults.

Indonesian economy to
contract further: WB

JAKARTA, Mar 10: Indonesia's economy would contract mildly in the 1999/2000 fiscal year before returning to modest growth the following year but only if it sticks to an economic reform programme, the World Bank predicted Wednesday, reports AP.

In a report, the Washington-based bank warned that if global conditions worsened the economy could dip by as much as three per cent in the next fiscal year — which begins April 1 — and could remain stagnant the following year.

The Indonesian economy contracted by 13.7 per cent in the 1998 calendar year, according to Indonesian government estimates. The government predicts it will contract by 12 per cent during the fiscal 1999/99 year, which the World Bank's estimates the contraction will be closer to 13 per cent.

The World Bank forecasts Indonesia's budget deficit will remain stable at about 4.8 per cent of gross domestic product in 1999/2000, roughly the same as in the current fiscal period.

Assuming the government sticks to reform and the rupiah's exchange rate remains stable, the bank sees as one per cent GDP contraction this year, while the economy should grow by three per cent the following year.

The World Bank forecast the inflation rate for 1999/2000 at 20 per cent, and at 10 per cent the following year. The government has predicted inflation

at 17 per cent for the upcoming fiscal year.

Forecasting macroeconomic data for Indonesia under current circumstances is clearly difficult however, the bank noted.

"It is virtually impossible to project alternative trajectories of social and political developments within Indonesia and the effects they will have on the economy," the report said.

"These will have to be monitored carefully as they occur, and their economic consequences assessed on an on-going basis."

Indonesia is facing landmark, multi-party elections in June with many predicting renewed social and political unrest on the country's streets in the lead-up to and beyond those elections.

Elsewhere in its report, the World Bank said its aid strategy for Indonesia is "subject to considerable risks and uncertainty," namely that of political and social unrest.

It also referred to possible political interference in planned bank restructuring, the continued fragility of the banking system and "possible opposition from vested interests," which may lead to more delays in reforms.

The bank said it was unlikely that private international investment would return to Indonesia any time soon, "at least (not until) urgent bank and corporate restructuring efforts proceed further."

Proposed UK budget
cuts income taxes

LONDON, Mar 10: Britain's Chancellor of the Exchequer Gordon Brown on Tuesday unveiled a budget which cut income taxes but largely made up for it with higher duties elsewhere, reports Reuters.

Making his third budget speech to Parliament, Brown launched a long-promised 10 per cent starting rate of tax — the lowest in nearly four decades — and surprised everyone with a pledge to cut the basic 23 per cent rate to 22 per cent next year.

"The tax cuts I have made today are tax cuts for a purpose," he told the House of Commons. The Chancellor also announced extra public spending on the elderly, schools and the country's national health service which, combined with the tax cuts, would pump and extra six billion pounds into the economy over the next three years.

"This is a budget built on the central idea that our future depends on enterprise and fairness together," he said.

Brown also raised state child benefit, did not tax it for upper earners, as had been widely trailed, and pumped up the winter allowance for pensioners.

To pay for this, brown scrapped interest relief on home loans from next year and replaced the married couples' tax allowance with a tax credit for children, targeted at lower earners.

He also put up duty on cigarettes and petrol well above the rate of inflation, making Britain's fuel among the world's most expensive.

Brown justified the higher fuel prices as part of a package of "green" measures aimed at cutting emissions of harmful gases.

Treasury figures showed Brown's budget proposals will cost the government about one billion pounds in the 1999/2000 tax year — broadly neutral when set against some 330 billion pounds of annual government spending.

But fiscal policy will be more generous in two years' time — around the likely time of the next election. In 2001/2002, the package will cost the treasury 3.5 billion.

Financial markets felt the proposals might cramp the independent central bank's room for cutting interest rates further. British rates of 5.5 per cent are much higher than the 3.0 per cent in the euro-zone.



Deputy Managing Director and Head of Leaf G Mainuddin and Head of Production Marco Antonio Felix of British American Tobacco Bangladesh display the EH&S Silver Merit award given to the company by its parent company British American Tobacco for achieving Zero Lost Time Accident during 1998.

—BAT photo

Japan's securities
firm, IBM to
form jt venture

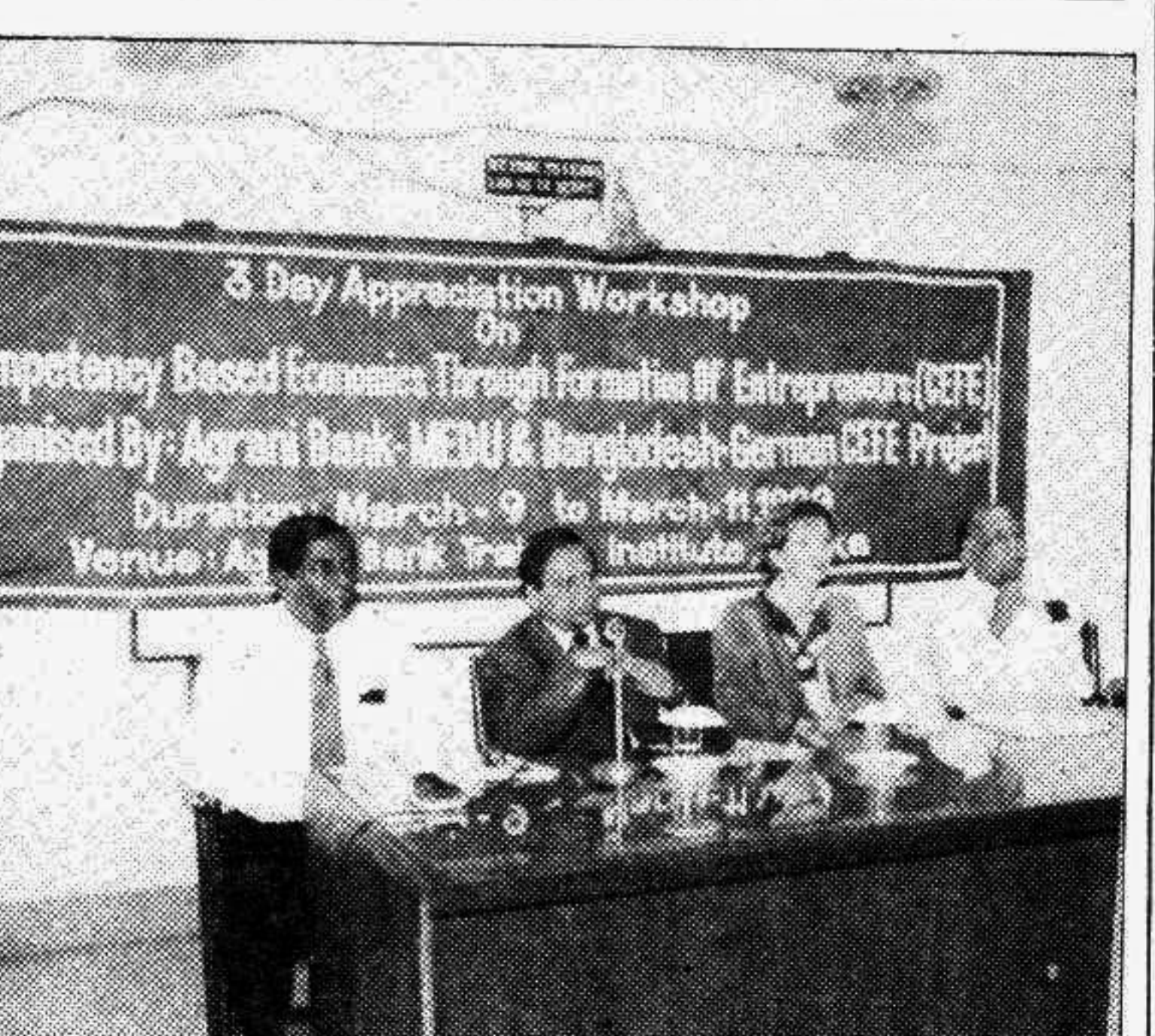
TOKYO, Mar 10: Japan's Dai-ichi Securities Co and IBM Japan Inc will form a joint venture to provide record keeping and other back office operations for the medium-sized brokerage, the companies said Monday, reports AP.

Dai-ichi Securities will provide 9.05 million yen (\$74,000) of 10 million yen (\$82,000) in capital for the new company and IBM Japan will put up the remainder.

The venture, to be established on April 1, will take over the operations of a Dai-ichi Securities affiliate that now handles record keeping and account settlement for its trading business.

Dai-ichi Securities aims to cut costs by contracting with IBM Japan for the services, the companies said. IBM Japan is a subsidiary of IBM.

Dai-ichi Securities was affiliated with the Long-Term Credit Bank of Japan before it collapsed last year under the weight of massive bad loans.



Mosharrar Hossain, Managing Director of Agrani Bank, addresses as chief guest a 3-day CEFE Appreciation Workshop organised by the bank's IFAD-assisted project Micro Enterprise Development Unit (MEDU) in collaboration with Bangladesh German CEFE Entrepreneurs Development Training Course at Agrani Bank Training Institute in the city on Tuesday.

—Agrani Bank photo

Banana trade dispute

EU lacks commitment to
world trade system: US

GENEVA, Mar 10: The US deputy trade representative kept up pressure on the European Union over bananas Tuesday, claiming EU officials lack commitment to the world trade system, reports AP.

"Countries cannot backslide on trade commitments, and they cannot discard the rules that we all agreed to," Ambassador Rita Hayes told a luncheon of the American International Club of Geneva.

She added that "a couple of countries within the EU are holding a gun to the (European) Commission's head and saying, 'you can talk as much as you want to, but you can't negotiate.'"

Hayes, who heads the US delegation to the Geneva-based World Trade Organisation, was speaking the day after an emergency meeting of the 134-country WTO called by the EU.

The Europeans were hoping for support from other mem-

bers against Washington's decision to order importers to deposit funds to cover pending sanctions on selected imports from the 15-nation EU.

Instead, officials who observed the meeting said, both trade powers found mostly exasperation that the two could not work out their differences.

The United States says the EU has not changed its banana policy, which it claims favours former colonies in the Caribbean, Africa and the Pacific at the expense of US and Latin American producers and exporters. The EU denies the claim.

WTO experts are expected to rule by the end of this month on whether the EU is breaking international trade rules and if so what level of sanctions the United States can impose in retaliation.

The EU maintains that the US order that importers must

deposit funds to cover the pending 100 per cent increase in tariffs on a range of European products were in effect an imposition of sanctions without WTO approval in violation of global trade rules.

Hayes said the Europeans were holding up the process by "fiddling" with their policies but not making any major changes, she said.

When the next report comes out against them I can assure you that they will just do a little something and then they will say that they are WTO consistent," said Hayes.

Trade rules must ensure that Americans have fair access to world markets," she added.

On Monday, EU trade spokesman Nigel Gardner claimed small Caribbean nations would be forced to turn to drug production if they lost their banana export markets in Europe.

IEA sees increased
OPEC oil demand

PARIS, Mar 10: The International Energy Agency (IEA) today raised its forecast for demand for OPEC oil in 1999 to an average 27.1 million barrels a day from 26.9 million a month ago, reports AP.

But it said the increase was due to a downward revision in its forecast for non-OPEC supply rather than a rise in global demand, and maintained its forecast for total oil demand this year unchanged at an average 74.7 million barrels a day.

In its last monthly oil report before meeting of the Organisation of Petroleum Exporting Countries (OPEC) oil ministers on March 23, the IEA said, that as the northern hemisphere winter drew to a close, "market attention is going away from the weather and is now focusing on the OPEC meeting."

The OPEC ministers are to decide whether they should cut output further in a bid to boost prices, which are still low despite a slight rally in late February and early March.

OPEC compliance with its announced production cuts was

at 77 per cent in February, virtually the same as in January, the IEA said.

But world oil supply fell slightly to 75.25 million barrels a day in February from 75.29 million barrels in January and 75.35 in December.

The report released on Wednesday marked the first time this year that the IEA has not revised downwards its forecast for 1999 world oil demand.

The IEA noted that world oil demand is forecast to grow by 1.2 per cent this year, "twice as fast as in 1998."

The latest IEA forecast of demand for OPEC oil at 27.1 million barrels a day this year was still below OPEC's current output levels, however, which averaged 27.55 million barrels a day in February, up from 27.40 in January and 27.53 in December, according to IEA figures.

The rise was chiefly due to a sharp increase in output by Iraq whose production rose to 2.97 million barrels a day in February from 2.41 million in January.

Exchange Rates

Following are yesterday's Standard Chartered Bank 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	OD	Sight	OD
48.7300	48.7700	USD	48.3200	48.1599	48.0758
0.4073	0.4077	JPY	0.3969	0.3956	0.3949
33.4248	33.4522	CHF	32.7904	32.6818	32.5584
28.3018	28.3250	SGD	27.8053	27.7131	27.6647
32.2950	32.3216	CAD	31.5838	31.4791	31.3626
5.9695	5.9744	SEK	5.8704	5.8510	5.8386
31.4796	31.5054	AUD	30.2000	30.0999	29.9031
12.8579	12.8684	MYR	12.6821	12.6401	12.6080
6.2975	6.3027	HKD	6.2276	6.2070	6.1937
13.0416	13.0529	SAR	12.8459	12.8034	12.7708
13.3051	13.3160	AED	13.1194	13.0759	13.0424
0.0396	0.0396	KRW	0.0392	0.0390	0.0390
79.3558	79.4219	GBP	77.6744	77.4170	77.1375
53.8467	53.8909	EUR	51.8957	51.7237	51.6334

Usance Export bills							
TT DOC	30 Days	60 Days	90 Days	120 Days	180 Days		
48.2204	47.9228	47.5257	47.0690	46.5725	45.4605		
Exchange rates of some Asian currencies against US dollar							
Indian Rupee	Pak Rupee	Thai Baht	Mal Ringgit	Indo Rupiah	Sing Dollar		
42.45/42.50	50.75/50.85	37.35/37.39	3.7999/3.8001	9010/9110	1.7293/1.7303		
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	6.5	6.34813	6	5.67531

Market Commentary
On Wednesday, the supply of dollar in the interbank market was boosted due to increased inward remittances. Demand of dollar was still high and the greenback traded in the range of BDT 48.66 to BDT 48.75. Call money rate was low due to liquidity in the market and traded between 7 and 8 per cent. In the interbank market, cash dollar notes traded between BDT 48.60 and BDT 48.80.

In the international markets, dollar lost its ground against major currencies. Dollar fell on the Federal Reserve chairman's statement that there was no sign of inflation in the US economy at present. This was a clear sign of demotivating the interest rate cut situation. German exports in January fell 5.8 per cent compared with same month of 1998, which pulled the euro back against US dollar. The dollar was firmer against yen after a fall in Japanese government bond yields, although its advance was tempered by a sharp rise in Tokyo share prices. At 1540 hours local time, USD traded at 120.28/38 JPY, GBP at 1.6187/97 USD and euro at 1.0942/46 USD.

Shipping Intelligence

CHITTAGONG PORT						
Berth Position and Performance of Vessels as on 10-3-99.						
Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Date of Leaving
J/1	Star of Nagaland	GTSP	Darb	Angelic	22/2	15/3
J/2	Yasmina	Rice (P)	Viza	SMSL	19/2	11/3
J/3	Hill Pleanty	Rice (G)	Bank	Ancient	15/2	16/3
J/4	August-M (E/L)	EL	Yang	OWSL	5/3	10/3
J/5	Alpine	GI	Yang	SMSL	21/2	11/3
J/6	Sea Ballo	R Seed	P Kem	Limtdong	4/3	20/3
J/7	Safe Star	GI	Busa	Oil	1/3	13/3
J/8	Commencement	Rice (G)	Sing	Ancient	7/2	11/3
J/9	Shui Cheng	GI	Inch	BDSHP	15/2	12/3
J/10	Ultima	Cont	Col	QCSL	5/3	10/3
J/11	Golden D	Wheat (G)	K Dia	Lams	R/A	18/3
J/12	Olympic Mentor	What (P)	GI	OWSL	5/2	15/3
CCT/1	Makassar Express	Cont	Col	Banidhi	28/2	10/3
CCT/2	Kota Naga	Cont	Sing	Pil (BD)	28/2	11/3
CCT/2	Dragon Brani	Cont	Sing	NL	4/3	11/3
CCT/3	Budi Teguh	Cont	Sing	RSL	2/3	11/3
RM/14	Reserve Resolve	Repair	Sing	RSL	24/2	10/3
RM/15	Albatross-III	Rice (P)	Kand	SMASL	16/2	14/3
CGJ	Handy Jade	C Clin	Sing	RML	28/2	13/3
CSJ	Seagull Fortune	Wheat (G)	K Dia	Frank R/A	5/3	15/3
RM/4	Sun Ocean	Cement	Indo	USTC	8/3	16/3
RM/6	Undok-1	Cement	Indo	USTC	5/3	16/3
DDJ	Banglar Jyoti	C Oil	Sing	BDSHP	5/3	
DDJ	Banglar Robi	Repair	-	BSC	R/A	11/4
DDJ/1	Tanary Star	Idle	Para	FSAL	R/A	20/3
RM/8	Sea World	Repair	-	CNCL	R/A	12/3
RM/9	Banglar Gournav	Repair	-	BSC	R/A	14/3
SM/10	Tug Ocean Sil Ver-8	-	-	ILAPSL	R/A	