

OPEC ministers for compliance with lower output quotas

VIENNA, Mar 22: OPEC ministers eager to end a global oil glut are hopeful that oil-exporting nations will abide by production cuts designed to slash total output by more than 2 million barrels a day, says AP.

The new quotas, which are to begin April 1, would remain in effect for a full year, Venezuelan Oil Minister Ali Rodríguez said ahead of Tuesday's meeting of the Organization of the Petroleum Exporting Countries.

The meeting is expected to result in formal approval of production cuts agreed upon earlier this month.

"We are here... to save the situation of the collapsing prices of oil. That is our main objective," Iraq's Oil Minister Amer Mohammed Rasheed said Sunday after arriving at a Vienna hotel.

Excess supply and a weak demand for winter heating oil sent prices plunging to 12-year lows late last year. Although consumers have benefited from

cheaper oil and gasoline, the soft market has inflicted economic pain on producers, including non-OPEC members Britain, Norway and the oil-rich American states of Texas and Louisiana.

Prices finally began surging two weeks ago, when representatives of OPEC's three biggest members — Saudi Arabia, Iran and Venezuela — along with Algeria and non-member Mexico agreed at a meeting in The Hague, Netherlands, to reduce output.

On the New York Mercantile Exchange, crude oil for April delivery rose 24 cents to \$15.46 a barrel on Friday. In comparison, crude was trading at about \$12 a barrel a month ago.

Under the deal reached at The Hague, Saudi Arabia, which currently produces more than 8 million barrels a day, will take the biggest cut 585,000 barrels. No 2 producer Iran will pump 264,000 fewer barrels a day, while Rodríguez confirmed that

Venezuela will trim daily output by 125,000 barrels.

Saudi Arabian Oil Minister Ali Naumi, speaking after arriving at a hotel, said he expected full compliance with the new, lower levels of production.

OPEC estimates the current output of its 11 members at 27.66 million barrels a day. At this level, supply exceeds demand by about 500,000 barrels, according to the Paris-based International Energy Agency.

The success of OPEC's effort to buoy prices by pumping less oil depends upon the compliance of each member, Rodríguez said. Cheating has been a chronic problem for the group.

Libya, one of the last OPEC members to confirm the size of its planned production cut, will pump 96,000 fewer barrels a day beginning April 1, said Libyan Oil Minister Abdallah Salem El-Badri.

"I hope that everybody will abide by the agreement," El-Badri said.

More ministers were scheduled to arrive Monday, when delegates were expected to meet in small groups of two or more prior to Tuesday's group meeting.

Non-OPEC members pledging to reduce production include Mexico, Russia, Oman and Norway.

In Turkey, meanwhile, an explosion Sunday at a section of the Iraq-Turkey oil pipeline interrupted the flow of Iraqi oil to Turkey's Ceyhan terminal on the Mediterranean coast. A source said the extent of the damage and the cause of the explosion were not yet clear.

Iraq exports half of its oil through Ceyhan under an oil-for-food program organized and monitored by the United Nations. The Kirkuk-Ceyhan line currently has a maximum daily capacity of 1 million barrels.

Iraqi oil ministry officials in Vienna said they were unaware of the explosion and couldn't comment on the report.

Japan's economy out of crisis: Trade Minister

SYDNEY, Mar 22: Japan's Minister for International Trade and Industry here said his country was now out of financial crisis, reports AFP.

Kaoru Yosano, who is visiting Australia, also expressed surprise at Canberra's decision to lodge a formal protest over Tokyo's 390 per cent super tariff on rice imports saying it had no intention of lowering it.

Many economists expect Japan's economy to remain flat this year after nearly two years of recession.

But Yosano said there were now clear signs his country was emerging from the worst of its economic crisis.

"The simple expression is we have hit the bottom and many indexes tell us that we are moving upwards," he told nine networks' business Sunday.

"At last we have succeeded in getting out of financial crisis which lasted for about one year, during 1998, and we are going to have a very sound financial system, banking system in other words."

Yosano predicted evidence of

the upturn would come as early as April or May, with the economy to be revitalised within a year, a belief he would be promoting during his visit to Australia this week.

"I intend to talk to the Australian people, its leader and the ministers," he said.

"I would like to wipe out pessimistic views on Japanese economy," but he said Japan would refuse to budge on its rice tariff.

Australia's Deputy Prime Minister Tim Fischer lodged an official protest against it with the World Trade Organisation (WTO) late last week, describing the tariff as unsatisfactory.

Yosano will meet Fischer in Canberra today and said Tokyo did not understand why Australia had taken the action.

However, it effectively closes off any chance of Australia enlarging this market.

Yosano said the new tariff was the result of strict calculations agreed under WTO rules and there was no room for negotiation.

Rise in oil prices not all good news for Gulf

DUBAI, Mar 22: The rise in oil prices is not all good news for the Gulf Arab petro-monarchies, experts said ahead of Tuesday's OPEC conference to ratify production cuts, reports AFP.

They said a sustained price recovery would revive projects in rival fields such as the Caspian, slow down an economic revival in Asia and could also prompt Gulf states to shelve economic reforms.

But "Gulf states want to turn to pressing matters. They need the money to finance development projects," said the adviser of a state oil company in the region, contacted from Dubai.

"The only way is to get that for now is to raise prices."

Saudi Arabia spearheaded a campaign which culminated on March 12 when an accord in the Hague between OPEC and non-member states to slash more than two million barrels a day off world output to reverse the collapse in oil prices.

Ahead of the Organisation of

Petroleum Exporting Countries meeting in Vienna on Tuesday, Gulf Arab oil ministers endorsed the accord at talks in Abu Dhabi, pledging to make half of the cuts.

Saudi Oil Minister Ali Ibrahim Al-Nuaimi set the target at reaching a price of between 18 and 21 dollars for a barrel of West Texas intermediate, or the equivalent of almost 16 dollars a barrel for the basket of OPEC crudes.

That would be four dollars a barrel higher than the average price in 1998.

"The Saudis have turned back to the logic of price controls, after more than a year of following a policy of gaining market shares," said Naji Abi Aad, an adviser at the France-based Observatoire Méditerranéen de l'énergie.

The collapse of prices, which even dipped below 10 dollars a barrel at the end of 1998, slashed the revenues of OPEC states by 35 per cent.

For the Saudi kingdom, the

world's top producer and exporter, the collapse was to blame for negative growth of 10.8 per cent and a deficit of 12.2 billion dollars.

Despite the short-term economic costs, Gulf states would have been able to take advantage of low prices to nibble away at market shares at the expense of more costly oil fields in the Caspian Sea, Venezuela and North Sea.

"The price fall put into question the profitability of Caspian projects. But a recovery will give them a new lease of life," said Abi Aad, noting Caspian production costs are 7-8 dollars a barrel compared to 1-2 dollars in the Gulf.

Abi Aad also pointed to the impact of price rises on the energy hungry Asian economies.

The more prices rise, the more it will slow down the recovery of Asian economies, thus delaying increased demand and real improvement on the (oil) market," he said.



M A Awaal, Deputy Managing Director of Arab Bangladesh Bank, hands over certificates to the Probationary Officers of the bank at the concluding function of the BIBM-conducted induction course yesterday. Dr Muinul Islam, Director General of BIBM (3-L), chaired the function. Arif Quadri, ABBL VP, and MD Nurul Islam and Sharmin Morium, members of BIBM faculty, are also seen in the picture.

Induction course of AB Bank ends

A 3-week long Induction Course for the 9th batch of probationary officers of Arab Bangladesh Bank Ltd ended in the city yesterday.

Bangladesh Institute of Bank Management (BIBM) conducted the course at the request of AB Bank Ltd.

The course stressed on various operational areas of general banking, laws and practices of banking, advances, foreign exchange, financial control, customer-services development, human behaviour etc. says a press release.

The concluding function was presided over by Dr Muinul Islam, Director General of BIBM, while M A Awaal, Deputy Managing Director of AB Bank Ltd was the chief guest.

In his speech, Dr Islam briefly narrated the importance of training and urged the trainees to practice and properly utilise the skills and knowledge acquired during the training.

Arif Quadri, VP of ABBL, also spoke on the occasion.

Move to bolster Asian economies Japan to lend billion dollar loan to ROK

SEOUL, Mar 22: Japan will extend one billion dollars in long-term loans to South Korea under a package to bolster crisis-hit Asian economies, officials said yesterday, reports AFP.

The announcement came as Japan and South Korea adopted a new blueprint for economic cooperation into the 21st century during a summit between visiting Japanese Prime Minister Keizo Obuchi and President Kim Dae-Jung.

An agreement on the "united" loan was signed between the Export and Import Bank of Japan and the Korea Development Bank (KDB) yesterday. KDB officials said.

The loan will carry a low interest rate of 2.4 per cent, 0.2 percentage points lower than Japan's long-term prime lending rate and will mature in seven years, including a one year grace period.

The one-billion-dollars loan, denominated in Japanese yen, will be spent on building infrastructure, improving the environment and saving energy.

Obuchi said the loan represented Japan's commitment to supporting South Korea's efforts to overcome its economic crisis.

Japan provided a three billion-dollars loan to South Korea last year under the package aimed at helping Asian countries recover from the severe economic crisis that hit the region in 1997.

The loan came after Obuchi agreed with Kim to step up efforts to conclude a bilateral investment treaty between the two countries.



Kay Kraft, one of the leading designwear houses, organised an Eid fashion exhibition at Alliance Française yesterday.

Thai economy may start recovering in mid-'99

BANGKOK, Mar 22: Thailand's economy could achieve a turn-around in mid-1999 with capital inflows to be generated by the sale of three banks and the upgrading of the country's credit rating, Thai Deputy Prime Minister Supachai Panitchpakdi said, reports Xinhua.

Thailand would sell the Ratanasiri Bank, Bangkok's Metropolitan Bank and Siam City Bank to foreign banks to bring competition and credit extension to cash-strapped Thai businesses, Supachai said in remarks made public here.

Supachai, also Commerce Minister, said the authorities were considering relaxing some reserve requirements for the banks being sold as well as to possibly delay reserve requirements for non-performing loans (NPL) by two or three quarters as incentives to buyers.

"The sale of the banks will be a turning point for the economy. The credit-rating agencies are watching us closely and we have a greater chance after the

bank sales to achieve an investment-grade rating which will help us to draw funds into the country," he said.

Thailand's credit ratings have improved to the level that reflects the country's succession strengthening its payments position, according to previous reports.

The credit ratings were up from lower grades to the current BI foreign currency country ceiling for bonds and notes.

Supachai also said that it was ripe time for Thailand to return to the international capital market by issuing global bonds.

He said the government has programmes to assist small- and medium-size enterprises as part of a plan to salvage the banks' NPLs.

Referring to his earlier proposal that the government issue bonds to banks in buying their NPLs, Supachai said it was a complementary option that should be further explored — especially with regard to the sale of the three banks.

Course on lease financing begins at DCCI

Star Business Report

A 5-day training course on 'Lease Financing in Daily Business' has begun at the Dhaka Chamber of Commerce and Industry (DCCI).

It was Organised by the Business Advisory Service (BAS) project of DCCI in collaboration with German Technical Cooperation (GTZ).

DCCI acting President, Sajjatu Summa, inaugurated course on Sunday, says a press release.

The course incorporated topics like: Leasing Mechanism, Leasing Procedures, Rights and Duties of Lessor and Lessee; Marketing of Lease Financing; Documentation of Lease Proposal; Monitoring of Lease & Handling of Default Leases, etc.

The DCCI acting President said in western countries as well as in our neighbouring countries, lease financing is very popular for business and industry financing.



DCCI Acting President Sajjatu Summa delivers his inaugural speech at the 5-day training course on 'Lease Financing in Daily Business' at DCCI Training Centre Sunday. Michael K. Nathan, Coordinator of BAS Project (centre), and concerned officials were present on the occasion.

Asian stocks may go up this week on Dow, Nikkei gains

SINGAPORE, Mar 22: Asian investors are expected to take their cue from Wall Street and Tokyo this week, with the Dow Jones chasing after the slippery 10,000-point mark and Japanese share prices on a very bullish trend, reports AFP.

US share market advances helped buoy sentiment last week in Asian stocks, while the resurgent Nikkei 225 index gave the yen a firm tone against the US dollar, which rubbed off positively on other Asian currencies.

The yen traded at 117.13 per dollar in New York late Friday, up sharply from 118.70 per dollar the week before and 122 levels two weeks ago.

The Dow Jones industrial average beat 10,000 points three times last week, but lost steam to finish on Friday at 9,903.35.

The Nikkei stock average of 225 leading issues climbed 660.86 points Friday to end at 16,378.78 rising 5.7 per cent from a week earlier to its highest finish in eight months. The yen briefly touched a high of 116.90.

With further rises in the Nikkei expected by investors, a senior currency dealer with a French bank in Singapore said the dollar could test lower levels this week, which would give Asian currencies further respite.

"I feel the dollar-yen is still

bearish. It may set down to 116, and the upside will be capped around 118.50," he said. "It's a technical thing. The chart is bearish on the dollar so people just follow."

Chua Soon Hock, chief strategist at the Sanwa Bank in Singapore, said the Japanese stock market "is now in the process of reversing its nine-year-old bear market" which began after the Nikkei peaked at 39,930 in January 1990.

"The immediate six-month target for this major reversal will be 18,000," Chua said.

Chua attributed the "budding bull" to consistent expansionary monetary and fiscal policies being adopted by Tokyo a

looming recovery in the banking sector thanks to recapitalisations, a stabilising political landscape, and US leadership providing strong support to Asian stock markets.

"Amid international pressure Japanese policymakers are finally recognising the need to boost their domestic economy and address the ongoing credit crunch, so as to correct the gross imbalances which Japan is exerting on the global economy," Chua said.

ANZ Investment Bank said a pull of largely US and British fund managers showed they expected the yen to be "quite well supported because of the newly found optimism in Japan."

Some dealers, however, believe the market is reluctant to push the dollar down to 115 yen for fear of intervention by Japanese monetary officials worried that an overly strong currency could hurt the country's exporters.

ANZ said fund managers expect Singapore, South Korea, Thailand and Taiwan to outperform other Asian bourses in the coming quarter.

The Singapore dollar could be affected this week by poor February trade figures released over the weekend, although analysts were not surprised.

Singapore's key non-oil domestic exports fell 7.0 per cent in February from a year ago as

demand remained sluggish.

Thanks to the yen and other factors, most regional currencies ended Asian trading hours last week firmer against the US dollar from the week before.

The Singapore dollar rose to 1.7225 per US dollar from 1.7355 the Indonesian rupiah to 8,900 from 9,150, the Philippine peso to 38.75 from 38.97, the South Korean won to 1,221 from 1,224 and the Taiwan dollar to 33.089 from 33.112.

The exception was the Thai baht which fell to 37.50 from 37.35 after Deputy Prime Minister Supachai Panitchpakdi said that he would prefer a weaker baht to boost sluggish exports.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.					
Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	48.7300	48.7700	48.3100	48.1570	48.0850
Pound Sg	79.5711	79.6414	78.3588	78.1107	77.9939
Deutsche Mark	27.5214	27.5440	26.5185	26.4345	26.3950
Swiss Franc	33.3425	33.3698	32.8081	32.7042	32.6553
Japanese Yen	0.4172	0.4176	0.4099	0.4086	0.4080
Dutch Guilder	24.4257	24.4457	23.5356	23.4611	23.4260
Danish Krona	7.1936	7.1999	7.0249	7.0026	6.9920
Australian \$	31.2164	31.2421	29.9570	29.8622	29.8175
Belgian Franc	1.3343	1.3354	1.2857	1.2816	1.2797
Canadian \$	32.5192	32.5459	31.5855	31.4955	31.4384
French Franc	8.2059	8.2126	7.9099	7.8918	7.8700
Hong Kong \$	6.3003	6.3055	6.2215	6.2018	6.1925
Italian Lira	0.0278	0.0278	0.0266	0.0267	0.0267
Norway Kroner	6.3186	6.3238	6.2094	6.1008	6.1805
Singapore \$	28.5555	28.5790	27.6452	27.5577	27.5165
Saudi Rial	13.0420	13.0527	12.8436	12.8029	12.7938
UAE Dirham	13.3040	13.3150	13.1167	13.0751	13.0556
Swedish Krona	5.9526	5.9555	5.8721	5.8535	5.8447
Qatari Riyal	13.4261	13.4371	13.2320	13.1901	13.1704
Kuwaiti Dinar	166.8654	166.9334	153.3164	152.8308	152.6023
Thai Baht	1.3028	1.3038	1.2888	1.2847	1.2828
Euro	53.8272	53.8713	51.8656	51.7014	51.6241

Bill buying rates					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6997	45.8945

US Dollar London Interbank Offered Rate (LIBOR)					
Buying	Selling	Currency	1 Month	3 Months	6 Months
48.0850	48.7300	USD	4.93	5.00	5.06
48.0850	48.7300	GBP	5.4375	5.34375	5.3125
Cash/TC	Cash/TC	Euro	2.97	2.96	2.90

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.392/42.397	50.30/50.40	37.48/37.53	3.7998/3.8003	8790/8890	1222/1224

Amex notes on Monday's market

The USD/BDT rates are slowly stabilising at 48.65 level which has been supported by the market makers. On Monday, the USD/BDT rates were in between 48.65 and 48.66. The call market was active and the rates ranged between 7.25 and 8.25%, little higher than the previous day.

The dollar drifted off its highs by midday Asian trade on Monday as early buying interest ran out of steam in activity severely hampered by a Japanese holiday. The yen failed to scale an overnight high at 116.90 to the dollar as talk of knockout options near 116.50 discouraged efforts to test the downside.

Recent optimism about a possible bottoming out in Japan's economy and foreign fund interest in Tokyo stocks could see the Nikkei surpass the 16527 level, where it closed the last financial year on March 31. Analysts expected the dollar to trade in a 115-120 yen band, with a possible test of the low end of that range towards the end of Japan's financial year on March 31.

The euro was also under a bit of pressure from Europe's weak growth outlook and worries about a possible NATO strike on Kosovo, but support near \$1.0875 remained intact.

Sterling regained ground against the euro and the dollar ahead of a batch of UK economic data this week that could give hints on whether Britain is heading for a soft landing. GBP was at \$1.6271/81 vs \$1.6207/17 late in Europe on Friday.

At 08:15 GMT the majors were traded against US \$ at 117.51/61 JPY, 1.7998/03 DEM, 1.4692/02 CHF, Euro at \$1.0859/68 and GBP at \$1.6263/73.

Shipping Intelligence

CHITTAGONG PORT					
Berth position and performance of vessels as on 22.3.99					
Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of leaving arrival
J/1	Esco Virgo	GI	Bang Rail	2/3	22/3
J/2	Vitaliy Kruchina	Rice (P)	Viza	SMSL	22/2
J/3	Hill Pleasant	Rice (G)	Bank Ancient	15/2	24/3
J/4	Grigoriy Kovalchuk	Urea	Yang Ust	R/A	24/3
J/5	Ocean Reyna	GI	Yang Ust	12/3	22/3
J/6	Banglar Kakoli (48)	GI	MSC	BSC	16/3
J/7	Shun An	GI	Sing	RML	15/3
J/8	Xing Ye	Rice (G)	Hald	MHCSL	20/2
J/9	Sarah-1	Rice (P)	Kara	SMSL	7/3
J/10	Maria-G	Rice (P)	Viza	AMBL	1/3
J/11	Sea Coral	Rice (G)	Kand	USTC	17/2
J/12	Qc Teal	Cont	Sing	QCSL	18/3
J/13	Banglar Shikha	Cont	Sing	BSC	18/3
CCT/1	Bunga Mas Lima	Cont	P. Kel	EOSL	15/3
CCT/2	Bunga Mas Enam	Cont	P. Kel	EOSL	17/3
CCT/3	Buxmoon	Cont	Sing	QCSL	17/3
RM/14	Sun Ocean	Cement	Indo	USTC	8/3
RM/15	Viva Treasure	Cement	Pada	USTC	14/3
RM/16	BUITI	C. Clink	Bang	RML	11/3
CSJ	Topaz	Wheat (G)	KDIA	LAWS	17/3
TSP	Good Faith	R. Phos	China	Cosmos	11/3
RM/5	Koo Yong	HSD	Sing	QCSL	18/3
RM/6	Stavanger Pride	HSD	Sing	ECSL	18/3
DOJ	Youngling	Cement	Pada	BSC	7/3
DDJ/1	Banglar Robi	Repair	IDLE	PSAL	R/A
DDJ/2	Banglar Gourab	Repair	BSC	R/A	30/3
RM/8	Sea World	Repair	CCNL	R/A	-
RM/9	Banglar Urmi	Repair	BSC	R/A	22/3
P. Jett	Tug Ocean Silver-8	Cement	Pada	ILAPSL	15/3
CUFLJ	Mary Nur	Cement	Pada	BSC	26/3
KAFOCU	Macho	Urea	Sing	Everett	5/3
KAFOCU	Hektor	Amonia	Raopm	MBL	19/3

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L Port call	Local agent	Cargo	Loading port
Darya Ma	22/3	Cal	MSA	Wheat(P)/GI	-
Dragon Brani (Cont) 14/3	22/3	Sing	NOL	Cont	Sing
Wei Shan	24/3	-	USTC	Cement	-
Sea Falcon	24/3	-	EOSL	Rice	-
Lyong Gun Bong	23/3	-	PSal	Cement	-
Ingenuty (Cont) 17/1	23/3	Sing	RSL	Cont	Sing
Tug Green Ville-11	23/3	Sing	OTBL	-	-
Equator Pearl	23/3	Sing	OTBL	Scraping	-
Tug De Qiang	24/3	Kuch	OWSL	-	-
Zhong Ren-1	24/3	Kuch	OWSL	-	-
Tug Midbest-1	24/3	Kuch	OWSL	-	-
Barge Midbest-2	24/3	Kuch	OWSL	P Cargo	-
Ocean Priti	24/3	-	PSAL	Cement	-
Jaya Mars (Cont) 18/3	24/3	CEO	Baridhi	Cont	Col
Kota Cahaya 15/3	24/3	Sing	Pil (BD)	Cont	Sing
Eka Lestari	25/3	-	PSAL	C. Clinker	-
Sea Amelita	25/3	-	Porg	GI	-
Dragon Kalimantan (Cont)	25/3	Sing	NOL	Cont	Sing
Humber	25/3	Sing	ABLE	Cement	-
QC Teal (Cont) 18/3	25/3	Sing	QCSL	Cont	MGL
Bharatendu (48) 14/3	4/3	-	SSSL	GI (ST. Coll)	-
Alandia Nord	26/3	-	Sinni	Scraping	-
Trimbakeshwar	4/4	-	SSSL	GI	-
Hafnia	27/3	-	MHCSL	Rice(G)	-
Mizoram	27/3	-	SSSL	Cont	Sing
Banga Birol (Cont) 15/3	27/3	Sing	BD Ship	Cont	Sing
QC Pintail (Cont) 18/3	27/3	Sing	QCSL	Cont	Sing
Orient Lily (48) 18/3	27/3	-	Everett	GI	-
Sin Hai (Cont) 18/3	28/3	-	RSL	Cont	Sing
Kota Berjaya (Cont) 18/3	28/3	Sing	Pil (BD)	Cont	Sing
Ming Jiang	28/3	-	BD Ship	GI	-
Coral Hero (48) 18/3	29/3	-	Everett	GI	-
Bunga Mas Lapan 21/3	29/3	-	Everett	-	-
Kota Singa 21/3	29/3	P. Kel	EOSE	Cont	Sing, Pkel
Nadel Horn	2/4	-	ABLE	Cement	-
(48) 18/3	2/4	-	Everett	-	-