

Slow corporate debt restructuring worries WB 'Asian economies must do more to boost domestic demand'

BANGKOK, Apr 1: Asian economies must do more to bolster domestic demand which has been named in a landmark new survey as the biggest challenge to business in the region, the World Bank said here, reports AFP.

World Bank Vice-President for East Asia and the Pacific Jean-Michel Severino said here that the pace of private sector debt restructuring was also one of the bank's "biggest worries."

"Corporate debt restructuring, the financial side of it, is moving slowly," he told reporters at a press conference here.

"It is definitely one of our biggest worries region-wide to find ways of having this corpo-

rate debt restructuring moving faster."

Severino was speaking after meeting Thai Finance Minister Tarrin Nimmanahaeminda, who on Tuesday unveiled a multi-billion dollars stimulus package to kick-start the economy out of its worst-ever recession.

The World Bank contributed some 600 million dollars to the package while the Export Import Bank of Japan (JEXIM) has pledged 87.6 billion yen (600 million dollars) under a 30 billion dollars initiative for crisis-hit Asian economies.

Among chief findings of the World Bank "Asian corporate recovery survey" was that Asian firms are more concerned about

plumetting domestic demand than the difficulty of raising credit from debt-ridden banks.

World Bank Asia Pacific senior economist Dominique Dwor-Precourt said the survey showed that companies in Indonesia, South Korea, Malaysia, the Philippines and Thailand did not report experiencing a "credit crunch," blamed for much of the drop in economic growth during the crisis.

"At prevailing interest rates, there is no aggregate 'credit crunch' as seen by survey firms. Their principal concern is with the low level of domestic demand," she wrote in a paper on the results of the survey.

The great majority of firms

in Korea, Malaysia and Thailand consider they will be able to meet their loan repayments as required — this is less the case in Indonesia and the Philippines.

Severino urged crisis-hit Asian countries to do more to boost domestic demand.

"The Asian economies have to work together in the context of macro-economic expansion packages," he said.

The World Bank is holding a closed-door conference here to present the findings of its survey with data from 3,700 Asian companies to senior policy makers and advisors from around the region.

Emirates Engg Centre — most advanced in ME

Emirates' new aircraft maintenance facility, the Emirates Engineering Centre, is the most advanced in the Middle East. Operational since December 1997, this is an international facility in its own right, says a press release of the airlines issued yesterday.

With three hangar bays large enough to accommodate the biggest wide-bodied aircraft, and a computerised multi-type heavy maintenance docking system, the Emirates Engineering Centre is designed to handle third party base maintenance work in addition to line maintenance support which it now provides to 26 airlines using the Dubai International Airport.

Backed by international accreditation for aircraft maintenance from the Directorate General of Civil Aviation, UAE and France; UK's Civil Aviation Authority, the ISO 9002 and the JAR 145 organisation for third party maintenance, Emirates has embarked on an international drive to source third party maintenance contracts.

The Emirates Engineering Centre has been designed as a regional technical centre to provide a full range of maintenance and support services for the aviation industry. With this facility, Emirates Engineering has the unique opportunity to focus on the future demands of the industry, technological advancement, continued fleet expansion and a determination to remain at the forefront in passenger amenities and comfort," said Sheikh Ahmed bin Saad Al Maktoum, Emirates' Chairman.



The Emirates Engineering Centre in Dubai. — Emirates photo

New DMD of SIBL

M Shahjahan Mantu has recently been promoted to the rank of Deputy Managing Director (DMD) of Social Investment Bank Ltd (SIBL), says a press release.

Before promotion, he was an Executive Vice President (EVP) of SIBL. He has contributed to lot to the development of capital mobilisation through Cash Waqf Certificate and Mosque Property Development Bond, the new innovation of Dr M A Mannan, founder chairman of the bank.

At present, he is the chief of the Non-formal and Voluntary Banking Sector of the Bank and Secretary to the Board of Directors. He started his banking career as a probationary officer in the erstwhile Habib Bank Ltd (now Agrani Bank) in Karachi in 1968.

Before joining as a SVP, he worked in SIBL positions in Agrani Bank. He was the zonal head of Barisal, Pabna, Bogra and Dhaka zone of Agrani Bank. Mantu was also the Divisional Head of Central Accounts Division, Loan and Recovery Division, Vigilance Division, Audit and Inspection Division etc.

Filipino govt, sugar industry at odds over tariffs

MANILA, Apr 1: The Philippine government and sugar industry leaders are at odds over how to raise sugar tariffs during next year's renegotiation of the country's commitments to the World Trade Organisation, reports AFP.

While the sugar producers insist that the Philippines does not need to offer concessions to its WTO trading partners to retain steep sugar import tariffs to support the local industry, the Department of Agriculture believes otherwise.

The department supports a sugar industry proposal to raise the out-quota rate on sugar to 85 per cent to 90 per cent by 2004. The out-quota rate is the rate applied to imports above the minimum access volume — the amount that a WTO member country must import at a lower, in-quota, rate.

The department also plans to work for the imposition of special safeguard duties on refined sugar because the Philippines' existing WTO commitments on safeguard duties covers

only raw sugar.

But the department believes that in order to achieve the sugar industry's proposal, the Philippines must either cut its tariff rate or expand the minimum access volume for equally sensitive products like rice, corn or meat.

Assistant Agriculture Secretary for Policy Planning Segredo Serrano said in an interview Wednesday that the Philippine negotiating panel must have something to offer when major sugar suppliers, such as Brazil and Thailand, ask for concessions in exchange for the Philippines' request.

Serrano said the department has set aside a product that will be offered as a trade concession in exchange for a higher tariff rate for sugar, but refused to say what it is.

He said that sugar is currently the only agricultural commodity that will be renegotiated because only the sugar industry has filed a request to the department.

Sugar industry leaders say

there is no need to offer new trade concessions because WTO rules allow the imposition of higher tariffs if an industry faces an imminent threat.

"In fact, we don't have to renegotiate it in the WTO. We can just file a request for higher rates, because we don't want to be delayed by cheap imported sugar that can kill our local sugar industry," said Jose Maria Zabaleta, executive director of the Philippine Sugar Millers Association. He said the United States filed a similar request in 1995 to shield its tobacco industry.

"Brazil can't complain, because that country has already imposed a counter vailing duty against our desiccated coconut. Thailand won't protest because we aren't stopping them from exporting sugar to our country," Zabaleta said.

Sugar is more costly to produce in the Philippines because of high transportation costs, outdated equipment and low investment by plantation owners.

Vehicle sales shrink 11pc in Japan

TOKYO Apr 1: Sales of new cars, trucks and buses in Japan, hurt by sagging consumer confidence, plummeted 11.2 per cent in fiscal 1998 for the second straight year of declines, an industry association said Thursday.

A total of 4.21 million new vehicles were sold in fiscal 1998, which ended Wednesday, down from 4.75 million vehicles the previous year, the Japan Automobile Manufacturers Association said.

Vehicle sales dropped 14.6 per cent in fiscal 1997.

The association also announced that auto sales tumbled 10.1 per cent in March from the year-earlier month, to 592,636 units, for the 24th consecutive monthly decline.

UK adopts national minimum wage for all workers

LONDON, Apr 1: Britain on Thursday adopts a national minimum wage for all workers, well behind other European countries and the United States, which the government says will give 2.3 million workers a payrise, reports AFP.

Employers warn that implementation of a minimum wage level of 3.60 pounds (5.8 dollars, 5.4 euros) an hour will increase unemployment.

Unions, in contrast, insist that adoption of the key social commitment made during the Labour government's successful 1997 election campaign will improve living standards for Britain's poorest workers.

A study by Incomes Data Services Research Group said on Wednesday that there was little evidence that the minimum wage would increase unemployment.

Those sectors that will be most directly affected by new wage floor include the hotel and catering industry, security workers, cleaners and other parts of the service sector.

The government has spent five million pounds advertising the benefits of the minimum wage and publishing the number of a telephone hotline to blow the whistle on companies that choose to ignore the legislation.

Workers aged 18 to 21 qualify for a lower pay rate of three pounds per hour.

Trade unions have been the leading advocates of the minimum wage here, although they had hoped for a higher pay floor.

A spokesman for the GMB General Union, John Payne, said: "We are the last country in Europe to introduce a minimum wage."

At the Unison Public Sector Union, Terry Foster said: "This is not a third world country and yet we are still paying people less in a week than others would spend on a meal on a night out."



BEIJING: Two young Chinese women working for Nokia stand ready to help customers with questions they may have about the company's mobile phones at a shopping mall in Beijing Friday. China has more than 23 million mobile telephone subscribers, who are expected to number 40 million by the year 2000. Competition among international companies has heated up in China as every major brand has set up a corporate office in the Chinese capital to help develop and expand huge potential market share. —AFP photo

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Five Pak banks cut lending rates

KARACHI, Apr 1: Pakistan's five main commercial banks yesterday cut their lending rates in a bid to reduce the cost of industrial production, heading a call by the government to ease credit, reports AFP.

The move was announced by the state-run National Bank of Pakistan (NBP), Habib Bank Limited (HBL) and United Bank Limited (UBL) and the privately-run Allied Bank of Pakistan (ALB) and Muslim Commercial Bank (MCB).

HBL President Shaukat Tareen told a news conference that the maximum lending rates would be brought down to 18-19 per cent with immediate effect.

Commercial bank rates have so far ranged between 21.0 and 22.0 per cent.

Pakistani Finance Minister Ishaq Dar asked Pakistani

banks last month to lower lending rates, saying they should not be higher than 14-16 per cent.

The central State Bank of Pakistan (SBP) has already cut its short term lending rates to commercial banks by one percentage point to 15.5 per cent.

The SBP has also reduced the return on federal bonds by four points to 13 per cent.

"I believe that with the inflation rate hovering at around 7 per cent the maximum interest rates should not be more than 16 per cent," Tareen said.

But loan defaults, higher cost of borrowing and taxes did not allow banks to bring lending rates below 18 per cent, he said.

The total amount stuck up in bad loans is estimated at 3.17 billion dollars.

Japan stocks up on buying spree Dollar down against yen

TOKYO, Apr 1: The US dollar fell against the yen Thursday on selling by overseas funds, while Japanese stocks rebounded on a burst of buying by domestic and foreign investors, reports AFP.

The dollar bought 118.68 yen at midday, down 1.30 yen from late Wednesday in Tokyo and also below its late New York level of 118.97 yen overnight.

The 225-issue Nikkei Stock Average gained 490.97 points, or 3.1 per cent, to close the day's trading at 16,327.56. On Wednesday, the average lost 22.53 points, or 0.14 per cent.

In currency dealings, the dollar moved lower against the yen on selling by overseas funds amid growing bearish sentiment for the US currency.

Dollar-supportive remarks from an influential Japanese official, however, helped slow the pace of its fall.

In global trading on Wednesday, the dollar plummeted nearly 3 yen from a high of 120.94 yen, beginning Thursday's trading on a weak note, analysts said.

But verbal intervention

from Japanese Vice Finance Minister for International Affairs Eisuke Sakakibara put the brakes on the dollar's slide, they said.

"At the current time, we maintain a stance that excessive yen strength isn't desirable," Sakakibara told reporters.

Meanwhile, the euro was traded at 128.04 yen, down from 128.59 yen late Wednesday in Tokyo.

On the stock market, share prices soared as domestic and foreign investors bought aggressively on the first day of the new Japanese fiscal year, analysts said.

"The swing factor is domestic investors, or institutional investors, coming into the market in the new fiscal year with their hands free," said Chuck Lambert, market analyst at Jardine Fleming Securities.

Buying was encouraged by the belief that new Japanese pension fund money would enter the market in April and by recent news indicating that Japanese companies are serious about restructuring.

IRRI in bid to boost Asian rice yield

MANILA, Apr 1: Scientists said Thursday they have been able to gradually curb declining rice harvests in Asia through a project improving soil quality in irrigated farms across the region, reports AP.

Dr Achim Dobermann of the International Rice Research Institute said rice production yields improved on 207 farms serving as test sites in six Asian countries a year after the project began.

More than 500 million tons of rice are produced worldwide each year, and 90 per cent of it is grown and consumed in Asia.

An institute statement said rice production has been declining on irrigated farms in Asia but did not provide figures.

The institute, in the town of Los Baños in Laguna province, about 50 miles (80 kilometres) south of Manila, is an independent nonprofit centre financed by government and private donors. In the 1960s it pioneered the development of new

rice plants capable of higher yields to overcome food shortages in Asia.

In the new project, the nutrient content of farm soil is analysed and improved by correcting nutrient deficiencies through efficient fertiliser use to achieve a targeted rice harvest volume.

Scientists also develop ways of detecting soil nutrient deficiencies and maintaining soil quality during critical rice growing period.

After a year, rice yields improved from 5.17 tons per hectare (2.5 acres) in 1996 to 5.74 tons per hectare, the IRRI said.

The better harvests were attained despite a prolonged drought caused by the El Niño weather phenomenon.

The project is being carried out in eight sites in China, India, Indonesia, Philippines, Thailand and Vietnam, which are Asia's leading rice growers.

Malaysian central bank predicts 1 pc growth

KUALA LUMPUR, Apr 1: Malaysia's gross domestic product is expected to expand by 1 per cent this year, the central bank said Wednesday in its annual economic report, reports AP.

The bulk of economic growth is expected to come in the second half of the year. GDP is the measure of all goods and services produced in the country.

The growth projection assumes that international petroleum prices will stay constant and that Malaysia will be able to sell palm oil, one of its biggest exports, at the same rate.

Malaysia's economy contracted by 6.7 per cent in 1998, according to preliminary figures said Bank Negara, the central bank.

That followed nearly a decade of phenomenal growth that made Malaysia one of the most lucrative investment sites in the world.

The economy, which started sinking last year because of the Asian currency crisis, touched its lowest point to date in the third quarter of 1998.

In the fourth quarter of 1998, the GDP expanded 0.5 per cent from the previous quarter but dropped 8.1 per cent from the year-earlier period.

To shield the economy from fluctuations, Prime Minister Mahathir Mohamad imposed capital controls in September. But the move scared investors and hit Malaysia's plans to borrow overseas.

Mahathir also banned off-shore trading of the ringgit and pegged the Malaysian currency at 3.80 to the US dollar.

Since those controversial moves, the Southeast Asian nation has received several credit rating downgrades from two top international ratings agencies, Moody's and Standard and Poor's.

However, Malaysia's eco-

nomie policies appear to meet World Bank standards and many international banks are still willing to extend loans.

On Wednesday, the country secured a \$700 million loans from 13 international financial institutions based in Japan. The money will be used to finance infrastructure projects.

A day earlier, the World Bank approved three loans totalling more than \$ 400 million for projects in the social and technology sectors.

The World Bank said in a statement that the loans will augment the \$300 million it provided Malaysia with in June, as the government struggled to shield the economy from the widening financial crisis in Southeast Asia.

The loans are to help fund education, health care and women's development programmes that are often the first victims of spending cuts in the face of a crisis.

Unemployment rate rises to 11.5pc in France

PARIS, Apr 1: The unemployment rate rose to 11.5 per cent in February from 11.4 per cent in January, the first increase since June 1997, the Employment Ministry said Wednesday, reports AFP.

The number of people out of work rose by 0.3 per cent, adding 7,900 people to the jobless rolls for a total of 2.9 million people out of work, the first rise in the number of jobless since August.

Earlier this week the government revised down its economic growth forecast for the year from 2.7 per cent to 2.2-2.5 per cent.

Exchange Rates

American Express Bank Ltd foreign exchange rates (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	48.7300	48.7700	48.3100	48.1570	48.0850
Pound Sig	78.8013	78.8660	77.6148	77.3690	77.2534
Deutsche Mark	27.1950	27.2173	26.1949	26.1119	26.0729
Swiss Franc	32.9658	32.9928	32.4511	32.3484	32.300
Japanese Yen	0.4114	0.4117	0.4041	0.4028	0.4022
Dutch Guilder	24.1360	24.1558	23.2484	23.1748	23.1401
Danish Krona	7.1076	7.1135	6.9421	6.9201	6.9098
Australian \$	31.3821	31.4079	30.1213	30.0259	29.9810
Belgian Franc	1.3185	1.3196	1.2700	1.2660	1.2641
Canadian \$	32.6740	32.7008	31.7328	31.6323	31.5850
French Franc	8.1086	8.1152	7.8104	7.7856	7.7740
Hong Kong \$	6.3003	6.3055	6.2211	6.2014	6.1921
Italian Lira	0.0275	0.0275	0.0265	0.0264	0.0263
Norway Kroner	6.3040	6.3092	6.1952	6.1756	6.1663
Singapore \$	28.5605	28.5840	27.6500	27.5624	27.5212
Saudi Rial	13.0413	13.0520	12.8429	12.8023	12.7831
UAE Dirham	13.3044	13.3153	13.1167	13.0751	13.0556
Swedish Krona	5.9212	5.9260	5.8417	5.8232	5.8145
Qatari Rival	13.4224	13.4334	13.2302	13.1883	13.1686
Kuwaiti Dinar	166.6088	166.7350	152.575	151.6756	151.4488
Thai Baht	1.2983	1.2993	1.2843	1.2803	1.2783
Euro	53.1888	53.2325	51.2328	51.0705	50.9941

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

Shipping Intelligence

CHITTAGONG PORT						
Berth	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/1	Dewan-1	Rice(P)	Kara	AML	17/03	4/04
J/3	United	Wheat(G)	Darb	ANCL	03/03	12/4
J/4	Nand Rati	Wheat(P)	Sing	AAVL	10/03	9/4
J/5	AA Venture	Rice(PGI)	Kara	CLA	11/03	1/4
J/6	State of Gujarat	G	Sing	Oil	19/03	1/4
J/7	Chettend Tradition	Wheat(G)	P Side	LSC	18/2	13/4
J/8	Min Jiang	G	Shing	Bdshp	27/3	8/4
J/9	Leping Ling	C Clink	Sura	MBL	19/03	8/4
J/10	Kota Cahaya	Cont	Sing	PHI(BD)	24/3	1/4
J/11	Orient Lily (48)	G	Yang	Everett	29/3	1/4
J/12	QC Pintail (Flag)	Cont	Sing	QC SL	29/03	1/4
J/13	Pacific Career	Wheat(G)	Suez	ANCL	21/2	10/4
CCT/1	Jayamars	Cont	Momb	Baridhi	25/3	2/4
CCT/2	Dragon Kalimantan	Cont	Sing	Nol	25/3	1/4
CCT/3	Budi Teghu	Cont	Sing	PSAL	21/3	1/4
RM/14	Sibirsk	Cement	Pada	USTC	14/03	7/4
RM/15	Vina Treasure	Cement	Pada	USTC	14/03	7/4
CCJ	BUTI	C Clink	Bank	RML	11/3	4/4
GSJ	Banglar Shobha	Wheat(G)	R	Lams	R/A	1/4
TSP	Good Faith	R Phos	China	COSMOS	11/03	1/4
RM/4	Banglar Shourabh	Repair	BSC	R/A	1/4	
RM/5	Ebuma	HSD	Sing	ECSL	26/03	2/4
RM/6	Ras Al Zour	HSD	Mina	Atlantic	26/03	1/4
DQJ	Youngly	Cement	Pada	USTC	07/03	5/4
DD	Taraman Bibi	Repair	Pana	USTC	17/2	8/4
DDJ/1	Tanary Star	Idle	Para	Psal	-	-
DDJ/2	Banglar Gourab	Repair	BSC	R/A	6/4	
RM/8	Sea World	Repair	CNCL	R/A	2/6	
RM/9	Banglar Shikha (Cont)	Repair	BSC	R/A	1/4	

VESSELS DUE AT OUTER ANCHORAGE						
Name of vessels	Date of arrival	L Port	Local agent	Cargo	Loading port	
Wei Shan	1/4	-	USTC	Cement	-	-
Bunga Mas Lima(Con)	2/4	Sikel	FOSL	Cont	Sing	P Kel
Jubilant (48)24/3	2/4	Phil	MBL	GH(STCOIL)	-	-
Sea Daniel	2/4	-	USTC	Wheat(G)	Mong	-
Buxmoon(Cont)23/3	2/4	Sing	QC SL	Cont	Sing	-
Coral Hero(48)13/3	4/4	Cal	Everett	GI(ST COIL) Vehi	-	-
Hikkory (Lash)	3/4	-	Karna	-	-	-
Chios Charm	2/4	Momb	Ancient	Wheat(G)	-	-
Patheln	2/4	Yang	Mta	GI	-	-
Ultima(Cont)25/3	2/4	Col	QC SL	Cont	Col	-
Hafina	4/4	Kand	MHCSL	Rice(G)	-	-
Yasmina	4/4	Yang	SMSL	GI	-	-
Grace Luma (48)18/3	4/4	-	Everett	GI	-	-
Baharatendu(48)14/3	4/4	-	SSL	GI(ST COIL)	-	-
Bunga Mas Enam(Cont)25/3	4/4	P Kel	ECSL	Cont	Sing	-
Pacific Bridge	5/4	-	MSA	GI	-	-
Acacia(Cont)31/3	5/4	Sing	HSL	Cont	Sing	-
Agile	4/4	Yang	MBL	Urea	-	-
Elizal(Cont)31/3	5/4	-	Baridhi	Cont	Col	-
Kalimatan Pacific	6/4	Labu	OLM	GI(HB Iron)	-	-
QC Teal(Cont)24/3	6/4	Sing	QC SL	Cont	Sing	-
Humber	7/4	-	Able	Cement	-	-
Banglar Moni(Cont)23/3	7/4	Sing	HSC	Cont	Sing	-
Meghna(Cont)28/3	7/4	Sing	Bdshp	Cont	Sing	-