

Ailing Asian economies on way to recovery: ADB

MANILA, Apr 19: Southeast Asia's embattled economies are expected to start mending this year, although the pace and strength of the recovery will depend on the impact of reforms and the mood of world financial markets, the Asian Development Bank said Monday in its annual report. The Philippines and Malaysia are the most likely to grow in 1999, although at modest rates, the ADB said in its Asian Development Outlook, reports AP.

Indonesia will continue to have the group's most uncertain prospects as its economy attempts to fight back from the verge of total collapse, it said.

For all developing countries in the Asia-Pacific region, the ADB forecast growth will rise to 4.4 per cent this year compared to 2.6 per cent in 1998 and 6.2 per cent in 1997. For the year 2000, the region's gross domestic product is seen growing by 5.1 per cent.

Last year, the slump in Asian growth that began with the 1997 currency crisis turned into one of the worst economic performances in recent history, particularly for the richer developing countries in the region.

The ADB said the outlook for China is positive in 1999, with continued growth in the 7 per cent range likely.

"The combination of large reserves and stringent restrictions on foreign capital move-

ments means that China is unlikely to face a financial panic of the kind that struck so many of its neighbours," it said.

For the 10 countries in Southeast Asia, growth of 0.8 per cent is forecast in 1999 after the region's GDP contracted 6.9 per cent last year, "under-performing even the most pessimistic expectations," the ADB noted.

Among Southeast Asia's more developed economies, Indonesia and Thailand are ex-

pected to perform the worst, with zero growth forecast for both countries after their GDPs contracted by 13.7 per cent and 8 per cent respectively in 1998.

The Philippines, which did not experience the rampant growth of Asia's other "tiger" economies in the past, is forecast to grow 2.4 per cent this year after shrinking 0.5 per cent in 1998.

Restructuring and recapitalising East Asia's banking systems, whose weakness contributed heavily to the region's

vulnerability, will be "high on the priority list" in 1999, the ADB said.

It warned that while fresh capital from development agencies will be disbursed in 1999, the overall supply of foreign exchange will remain tight because of the squeeze on the availability of private capital.

Private capital flows to developing Asian countries, which reached \$ 105 billion in 1996, turned negative in 1997 as investors pulled funds out of the region. That hemorrhaging continued in 1998, with outflows of \$ 55 billion.

"Given the large volume of Japanese lending to the region before the crisis, substantial progress in resolving Japan's banking difficulties would increase the flow of capital to Asian banks and firms," the ADB said.

It viewed with concern the worsening health of the region's banking system, marked by a sharp increase in bad loans and bank failures, even though many countries have instituted "significant" financial reforms.

In many countries, it said, monetary officials face a dilemma resulting from Asia's currency crisis.

"Defending the currency required maintaining relatively high interest rates, but that worsened the financial condition of banks and firms," the ADB said.

GDP growth forecasts

Countries	1998	1999	2000
Southeast Asia	-6.9pc	0.8pc	2.8pc
Cambodia	0.0	4.0	6.0
Indonesia	-13.7	0.0	2.0
Laos	4.0	0.0	2.0
Malaysia	-6.2	0.7	2.7
Myanmar	4.0	3.0	4.0
Philippines	-0.5	2.4	4.0
Thailand	-8.0	0.0	2.5
Vietnam	4.0	3.7	4.5
Newly industrialized economies	-1.4	2.3	4.3
Hong Kong	-5.1	-0.5	2.0
South Korea	-5.5	2.0	4.0
Singapore	1.5	1.0	4.0
Taiwan	4.8	4.9	6.3
China	7.8	7.0	6.5
South Asia	5.7	5.5	5.8
Bangladesh	5.7	3.6	5.5
Bhutan	5.6	5.9	6.0
India	5.8	5.9	6.0
Maldives	6.8	6.4	6.4
Nepal	1.9	2.0	2.7
Pakistan	5.4	3.4	4.6
Sri Lanka	5.3	5.0	6.2

ROK workers go on strike against layoffs

SEOUL, Apr 19: About 20,000 South Korean unionised workers launched a strike today to protest mass layoffs, marking the start of a season of labour unrest in a country once used to lifetime employment, reports AFP.

The strike, kicked off by subway workers, was seen as a major new test for President Kim Dae-Jung who has identified unemployment as his government's top priority as economic reforms cost hundreds of thousands of jobs.

Authorities, meanwhile, issued arrest warrants for 19 union heads for leading a strike on the Seoul subway which failed to paralyse the network when non-union officials manned the trains.

"In order to stop further chaos and more trouble, the government should even now accept our demands including a halt to mass layoffs," said Lee Kall-Yong, head of the militant Korean Confederation of Trade Unions (KCTU) which is leading the strikes.

He warned more than 80,000 unionised workers would stage a general strike this month to fight for their jobs if the government fails to accept its demands.

"And the government should be warned that the number will increase to 550,000 by May Day," he threatened.

The striking Seoul subway union workers and more than 10,000 from more than 20 different state-run corporations demanded the government hold negotiations to end rising layoffs.

"The government should come forward for talks," read a big sign at a rally outside Seoul train station by striking workers.

"Get rid of layoff policy," said head banners worn by the protesters.

Union workers accuse the government and management of sacrificing only workers in the course of the painful corporate restructuring, which has led to mass layoffs.

"We have seen enough. Now it is time for us to take action!" read another slogan.

Students also took part in the rally, demanding their fathers be allowed to keep their jobs.

"Down with Kim Dae-Jung's government that is killing our fathers," chanted several students including a 23-year-old Kim Hyun-Mee, who said her father had been recently laid off.

"I have to fight layoffs because my father is a victim of it. I too will graduate next year, but I know there will be no jobs for us," she said.

Unemployment has been rising sharply since Asia's economic crisis hit South Korea more than a year ago. The jobless rate reached 8.7 per cent in February with 1.79 million people unemployed, the highest level in 33 years.

Thousands of riot police were deployed around the site of the rally participated by students and striking workers including those from other state-run corporations including telecoms giant DACOM and Korea Gas Corp.

Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.							
Currency	Selling TT & OD	Selling B/C	Buying Clean	Buying O/D Sight Export Bill	Buying O/D Transfer		
US Dollar	48.7300	48.7700	48.3100	48.1570	48.0850		
Pound STG	78.8695	78.9420	77.6728	77.4268	77.3111		
Deutsche Mark	27.0380	27.0632	26.0516	25.9891	25.9033		
Swiss Franc	32.8893	32.7162	32.1766	32.0747	32.0268		
Japanese Yen	0.4145	0.4149	0.4074	0.4061	0.4055		
Dutch Guilder	2.9367	2.9164	2.8123	2.8040	2.80136		
Danish Krone	7.0674	7.0732	6.9034	6.8815	6.8712		
Australian \$	32.1032	32.1346	30.8411	30.7434	30.6975		
Belgian Franc	1.3109	1.3120	1.263	1.2591	1.2572		
Canadian \$	33.3219	33.3493	32.3490	32.2466	32.1983		
French Franc	8.0618	8.0684	7.7677	7.7431	7.7315		
Hong Kong \$	6.3014	6.3066	6.2225	6.2028	6.1936		
Italian Lira	0.0273	0.0273	0.0263	0.0262	0.0262		
Norway Krone	6.3145	6.3197	6.2064	6.1858	6.1765		
Singapore \$	29.0094	29.0332	28.0742	27.9852	27.9434		
Saudi Rial	13.0413	13.0520	12.9429	12.8223	12.7831		
UAE Dirham	13.3044	13.3153	13.1167	13.0751	13.0556		
Swedish Krona	5.8704	5.8752	5.7933	5.7749	5.7663		
Qatari Rial	13.4261	13.4371	13.2320	13.1901	13.1704		
Kuwaiti Dinar	166.5983	166.7390	162.1575	161.6756	161.4488		
Thai Baht	1.3069	1.3070	1.2922	1.2881	1.2862		
Euro	52.8818	52.9252	50.9526	50.7912	50.7192		

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	
			1	3	1	3	1	3
48.0650	48.7300	USD	4.93	5.00	5.04	5.15	5.22	
48.0650	48.7300	GBP	5.343	5.3125	5.31	5.34375	5.34375	
			5		5		5	

Exchange rates of some Asian currencies against US dollars							
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won		
42.885/42.915	50.560/50.610	37.280/37.300	3.7999/3.8002	8575/8650	1204.3/1204.9		

Amex notes on Monday's market

The USD/BTD market remains stable with high demand and steady supply and the market makers continue to support the USD at 48.65 level. The USD/BTD ranged between 48.64 and 48.65. Government accepted T-bills worth Tk 379 crore against maturity of Tk 300 crore, but the market was still flat. In most deals call rates ranged between 6.0 and 7.0%.

The dollar held above 118 yen in late Tokyo trade on Monday after bears scrambled to cover short positions on comments by senior finance ministry officials. An early attempt to push the dollar below 117.50 yen failed after Japan's top financial diplomat Eisuke Sakakibara warned that Japan would act decisively against premature excessive rises in the yen.

He also said that the United States shared the view that an excessive yen rise is not good for Japan's economic recovery. The dollar was also buoyed by remarks from Vice Finance Minister Koji Tanami, who played down comments on Friday by Finance Minister Kiichi Miyazawa that the government may need to consider targeted tax cuts. The dollar was at 118.33/43 yen at 0625 GMT compared with 117.78/83 yen late on Friday in New York.

The euro, meanwhile, kicked off high against the dollar, recovering over half a cent from Friday's lifetime lows. Concern about the impact of the war in Yugoslavia on euro zone budgets capped its recovery though.

The pound advanced against both the dollar and euro at the start of European trading week amid speculations about renewed merger activity in the UK. At 07:10 GMT the majors were traded against US\$ at 118.24/34 JPY, 1.8298/03 DEM, 1.4978/88 CHF, Euro at \$ 1.0684/88 and GBP at \$ 1.6140/50.

Delhi awaits on-line traffic control system

NEW DELHI, Apr 19: The traffic-congested capital may soon get a breather with a Rs 35 million (\$830,000) plan to computerise the traffic control system in some busy parts of the city by September.

The new on-line traffic control system will involve the setting up of sensors on the road which will be able to count the number of approaching vehicles at intersections and regulate signal changes according to instructions from a master control room.

From about 11,000 vehicles in 1948, Delhi now has more than 2.7 million vehicles.

The project is the result of an agreement signed by the traffic police with a British company, Peak Traffic, and its Mumbai-based Indian counterpart, CMS Traffic Systems Limited, reports AP.

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Danish Minister for Development Cooperation Poul Nielson and Mrs Nielson were accorded a warm welcome by San Amalan, General Manager of Dhaka Sheraton Hotel - Sheraton photo

US computer training centre in Dhaka soon

Star Business Report

US New Horizons Computer Learning Centres will open a unit in Dhaka soon.

An agreement to this effect was recently signed in California between the New Horizons Computer Learning Centres (NHCLC) and the Millennium Information Technology Centre (MITC) of Dhaka, says a press release.

Dr Habibur Rahman Chairman of the Millennium Information Technology Centre (MITC), Dhaka, and Robert Shaw, Senior Vice-President of NHCLC, USA, initialled an accord on behalf of their respective organisations.

Under the agreement New Horizons having 250 branches worldwide, will soon set up a unit in Dhaka. Structured upon course materials provided by New Horizons' Headquarters based at Santa Ana, California, USA, and taught by USA-trained experienced instructors,

its Dhaka unit will offer multiple application, and advanced technical courses.

On successful completion of the courses, students would be eligible to secure employment not only in the US but also in various other countries worldwide.

Utilising their international contacts, the local sponsors are committed to assist IT professionals produced by NHCLC, Dhaka, to get job placement abroad.

The local sponsors state that both high demand of trained, international-standard IT professionals worldwide as well as the prevailing scope of earning huge amounts of foreign exchange for Bangladesh through soft-ware development, had inspired them to invite NHCLC, USA, to set-up a unit in city.

First EgyptAir flight lands in Tripoli

TRIPOLI, Apr 19: With two bumps and a round of applause, an EgyptAir Airbus 320 roared into Tripoli on the airline's first direct flight into the Libyan capital since UN sanctions were imposed seven years ago, says AP.

On Sunday night, Tripoli's government and Libyan aviation officials greeted the flight from Cairo, Egypt, serving up cake and soft drinks beneath a portrait of Libyan leader Moammar Gaddafi to the 130 arriving journalists and Egyptian lawmakers, airline and aviation officials.

The airport, kept up throughout the lengthy hiatus of international travelers, was quiet Sunday night - only one Libyan Air Airlines plane was parked at the gates. Journalists were not allowed to leave the VIP lounge and returned to Cairo early Monday on the same plane.

The UN sanctions were imposed in 1992 in an effort to force Libya to turn over two suspects in the 1988 Pan Am bombing over Lockerbie, Scotland, which killed 270 people.

Suspension of the air embargo, perhaps the most frustrating and painful of the sanctions, followed Libya's April 5 handover of Abdel Basset Ali al-Megrahi and Lamen Khalifa Fhimah for trial by a Scottish court in the Netherlands.

Egypt and Libya were still negotiating the resumption of regular passenger flights. Sunday's flight was specially arranged. But Saad El Khawalka, Chairman of the Egyptian parliament's transportation committee, said both countries are eager to put an end to flights around Libya to Tunisia followed by a lengthy drive to Tripoli.

HK economy still fragile despite recovery signs

HONG KONG, Apr 19: Hong Kong's economy is still fragile despite signs of recovery, but the territory is confident of emerging stronger from the Asian crisis, Financial Secretary Donald Tsang said here, reports AP.

Tsang told an investment conference the Asian financial turmoil had dealt Hong Kong a body blow, "but it has not stopped us in our tracks."

Rather, it has provided us with an opportunity to look at where we are going. To consolidate. To build on our strengths. To diversify into new directions. And to fight back and assume leadership in our chosen path.

Tsang said the government was carrying out a fundamental review of its economic strategy and policies for attracting foreign investments into Hong Kong.

"We are actively encouraging investment in high value added and high productivity industries, but within the framework of our legendary free and open market philosophy," he said.

He conceded that until the end of last year the economy had not seen any turnaround, with most indicators still showing significant declines as a result of fallout from the Asian financial crisis.

For 1998, preliminary estimates show gross domestic products (GDP) shrank 5.1 per cent, Tsang said.

"And when you compare that with a 5.3 per cent growth in 1997, our economy really went through the wringer."

Tsang said Hong Kong was going through "a very painful period of restructuring the likes of which have never been experienced by this working generation."

HK unemployment hits new high

HONG KONG, Apr 19: Unemployment rose to a record 6.2 per cent in the three-month period ending March 31, the government said Monday in a report that has protracted recession, reports AP.

Unemployment has stood at 6 per cent in the three-month period that ended in February, which at the time had been the highest since 1983, when the government started tracking joblessness using its current method, the Census and Statistics Department said.

Russia expects new IMF loan in June

MOSCOW, Apr 19: Russia expects new loans from the International Monetary Fund to start flowing in June, Russian officials said Sunday, reports AP.

Prime Minister Yevgeny Primakov and the IMF reached preliminary agreement earlier this month on resuming aid to Russia, but details have yet to be worked out.

Economics Minister Andrei Shapovalov said in London on Sunday that he expects the first tranche of the new loan to be disbursed in June. Russian officials initially expressed hope that the money would start arriving in May, but the IMF's board of directors hasn't given final approval for the aid.

New loans would help Russia pay off some of its \$150 billion foreign debt. IMF approval would also pave the way for Russia's government to begin debt rescheduling talks with its Paris Club and London Club creditors on rescheduling some foreign debt left over from the Soviet Union.

First Deputy Finance Minister Mikhail Kasyanov said Sunday he expects those to begin at the end of May or early June.

He reaffirmed the government's commitment to paying off Russia's post-Soviet foreign debt.

To change this policy would cost Russia much more than people can imagine," he said at a meeting of the European Bank for Reconstruction and Development in London.

Russia is stuck in one of the worst depressions ever experienced by an industrial nation, and its economy has contracted throughout this decade.

Shipping Intelligence

Chittagong Port									
Berth Position and Performance of Vessels as on 19.4.99.									
Berth No	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival				
J/2	Golden Aries	Rice(P)/GI	Kar	OWSL	6/4	23/4			
J/2	Andhika Permata	GI	Sing	RML	16/4	20/4			
J/3	Drilght Glory	GI	Sing	Seaglor	30/3	21/4			
J/4	Darya Ma	M/S	MSA	MSA	26/3	27/4			
J/5	Pacific Bridge	Wheat (P)/GI	GI	Sing	MSA	7/4	27/4		
J/6	Saealoon	Rice (P)	Kara	EOSL	23/3	21/4			
J/7	Chettindon	Wheat (G)	P Side	LSE	18/2	20/4			
J/8	Fair Spirit	Mop	Col	Litmond	25/3	26/4			
J/9	You Yue	Rice (P)	Kand	USTC	28/2	26/4			
J/10	Kallimantan Pacific	GI	Labu	OLM	5/4	22/4			
J/11	Nordkap	Cont	Sing	RSL	13/4	20/4			
J/12	Pacific Career	Wheat (G)	Suez	ANCL	21/2	20/4			
J/13	Banglar Biraj	Cont	Sing	BDSHIP	12/4	19/4			
CCT/1	Bunga Mas Lapan	Cont	P Kel	EOCL	15/4	21/4			
CCT/2	Jaya Mars	Cont	GI	Baridhi	16/4	21/4			
CCT/3	Kota Cahaya	Cont	Sing	Pi (BD)	12/4	21/4			
RM/14	Sibirshk	Cement	Pada	PSAL	15/3	24/4			
RM/15	Boro Budur	Cement	Jaka	USTC	4/4	51/4			
CCJ	Clover Trust	C Clinic	Kara	RML	28/3	22/4			
GSJ	Banglar Asha	Wheat (G)	Jaka	BSC	R/A	20/4			
TSP	Ekalestari	C Clinic	Jaka	PSAL	29/3	24/4			
RM/4	H yok Sin	Cement	Jaka	PSAL	8/4	24/4			
RM/5	Stolt Sakra	L Oil	Cal	EOSL	16/4	-			
DOJ	Al Sabiyah	HSD	Kuwa	MSTPL	16/4	19/4			
DD	AA Venture	Repair	Kara	CLA	11/3	-			
DDJ/1	Tanary Star	Idle	Para	PSAL	-	-			
RM/8	Yongling	Cement	Pada	-	7/3	-			
CULJ	Unity (Ex B Shobha)	Wheat (G)	Idle	Ancient	R/A	-			

Vessels Due at Outer Anchorage					
Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Eiko Maru	19/4	-	Cross	In Ballast	-
Kota Sing (Cont) 8/4	19/4	Sing	Pi (BD)	Cont	Sing
Kyvermitis	19/4	-	Ancient	Wheat (G)	-
Ultima (Cont) 8/4	19/4	-	QCSL	Cont	Sing
Tia Estela	19/4	Kand	USTC	Rice (G)	-
Golden Hope	19/4	Sing	CCNL	Rice (P)	-
Buxmoon (Cont) 12/4	21/4	Sing	QCSL	Cont	Sing
Ingenity (Cont) 12/4	21/4	Sing	Baridhi	Cont	Sing
Sin Hai	20/4	Sing	RSL	Cont	Sing
Nadel Horn	20/4	-	ABLE	Cement	-
Banga Birol	20/4	Sing	BDSHIP	Cont	Sing
Ge Pintal	26/4	Sing	QCSL	Cont	Sing
Feng Tao	29/4	-	Seaglor	Sugar (G)	-
Phaethon	20/5	Sant	OWSL	Sugar (G)	-
Sea Majesty	20/4	-	Prog	GI	-
Green Ace (Roro/24) 4/4	19/4	Haip	JF	Vehi	-
Alphastore III	24/4	Pada	SMSL	Cement	-
Bunga Mars	21/4	Sing	EOSL	Cont	Sing
Inca Maiden (Roro/24) 6/4	22/4	Col	JF	Cont	Sing