

ROK labour unrest grows despite police crackdown

SEOUL, April 25: Labour unrest intensified Sunday in crisis-hit South Korea as the government mobilised riot police to stop a snowballing wave of strikes against job cuts, reports AFP.

The unions warned the government to slow down corporate restructuring or face mass protests. But the government refused, pledging a tough crackdown.

Violence erupted when riot police brandishing truncheons crushed a rally near Myeongdong Catholic Cathedral in central Seoul where some 1,000 radical students and labour activists are holed up.

The protestors fought back with rocks, after retreating into the cathedral sanctuary for activists.

Police arrested at least ten protestors in the attack, which stopped 20 meters (yards) short of the cathedral, witnesses said. One female student, bleeding from a head wound, was rushed to hospital.

It was the most violent clash in the week-long wave of rolling strikes that started last Monday when Seoul subway workers walked out in protest against job cuts.

The subway strike has spread to 19 other state-run corporations and research institutes involving more than 20,000 workers.

The union's tough challenge prompted the government to warn that the wave of strikes, if unchecked, would scare away foreign investors.

The ruling coalition, however, vowed to push ahead with its economic reform crusade, urging union leaders to stop fanning labour unrest.

"We will not succumb to the union's demands. The government's restructuring drive must not be interrupted to help the country's economic recovery," it said.

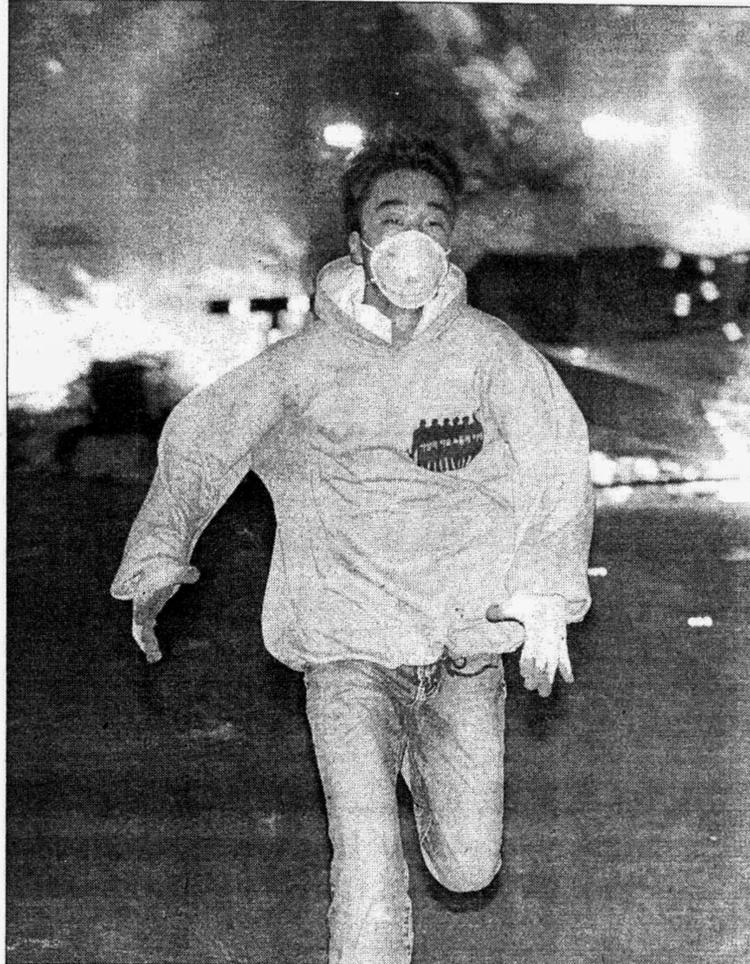
But the militant Korean Confederation of Trade Unions (KCTU), which claims 550,000 members, said it was ready to expand strikes from Monday.

"We will transform our strikes into anti-government protests," KCTU head Lee Kap-Yong said.

Workers at Korea Telem, a giant state-run telecommunications network, will stop work on Monday, followed by strikes at Daewoo Motor Co. and four other major heavy industry plants involving 30,000 workers, he said.

His warning came as hundreds of labour activists wearing red headbands with slogans such as "fight" scuffled with riot police outside the cathedral where scores of union leaders wanted by police have camped out to avoid arrest.

The attack in Myeongdong



A south Korean radical student runs away as the riot police force into the campus of Seoul National University Friday where thousands of striking workers and radical students have been holed up. Backed by helicopters and armoured tear gas launchers, riot police stormed the campus to disperse striking workers, amid a snowballing wave of strikes against job cuts. —AFP photo

followed massive police operations overnight around Seoul National University, where 4,500 striking workers have camped out.

Angry protestors hurled firebombs and rocks when some 8,000 riot police, backed by two helicopters and dozens of armoured tear gas launchers, sealed off the sprawling hillside campus in southern Seoul.

Clashes lasted for nearly two hours, with scared workers

escaping along the school's rocky mountain paths.

Television showed police chasing workers through copses. Dozens of workers were detained.

The subway union said 1,500 workers were still in the campus in defiance of the government's order to go back to work by Monday or face dismissal for long-term absences.

By mid-Sunday, the seventh day of strike, Seoul Subway

Corp. authorities said one-third of the network's 9,756 striking workers had promised to resume work.

The network shortened operations from Thursday night, unnerving millions of daily commuters. But Seoul's populace has so far remained neutral.

There have been massive layoffs since South Korea slipped into a severe economic crisis in late 1997.

Qatar signs \$400m gas plant loan

DOHA, April 25: Qatar has signed a 400 million dollar loan with a consortium of 14 banks to finance a gas plant project, the Gulf Times newspaper said Sunday, reports AFP.

The loan, signed Friday in London, will be used to finance a natural gas liquids plant in Qatar, the newspaper said, quoting the finance, trade and economy ministry.

It said the loan is priced at 95 basis points over the London Interbank Offered Rate (LIBOR) for the first three years, 105 points over LIBOR for the following three years and 115 points over for the seventh and eighth years.

The plant will provide feedstock for the Qatar Chemicals (Q-Chem) chemical complex, a joint venture between Qatar General Petroleum and Phillips Petroleum of the

United States. Gas will come from the emirate's huge North Field, the world's largest single concentration of unassociated gas.

Five international consortia are expected to bid for the plant's construction by the middle of next month, the daily said.

These include Brown and Root of the United States with France's Technip, Italy's Snamprogetti with South Korea's Hyundai Engineering and Construction, Japan's Toyo Engineering with South Korea's Daelim, Japan's Chiyoda, and Germany's Lurgi with South Korea's LG Engineering.

Qatar is OPEC's smallest oil producer but sits on the world's third largest proven gas reserves, after Russia and Iran, estimated at 8.5 trillion cubic metres (297 trillion cubic feet).

Strong US economy weakens euro

SAN FRANCISCO, Apr 25: A robust US economy and the Kosovo conflict have weakened the euro but it is still too soon to assess the success of the single currency, European Central Bank board member Sirikka Hamalainen said today, reports Reuters.

Speaking to the Bond Market Association, Hamalainen said she was astonished by the euro-sceptic economists and media who are already questioning the credibility and long-term stability of the euro which was launched at the start of 1999.

"To a large extent, the developments in the foreign exchange markets over the last few months can be characterised as a period of dollar-strength rather than euro weakness," she said.

The positive development of the US economy is a major factor behind this dollar strength. In addition, the US dollar appears to have gained further strength due to the Kosovo crisis in Europe.

A prolonged conflict in Kosovo would put pressure on government spending in Europe, she said.

"I think now it is just a psychological factor because the war is really alarming and it's very near to those countries, Italy, Germany," Hamalainen told reporters after her speech.

The former head of the Finnish central bank said the dollar had appreciated against all other widely traded currencies lately as the US economy continued to grow rapidly with low unemployment and a healthy government budget surplus.

"In contrast, economic activity in the euro area is more subdued," Hamalainen said. "Unemployment is high and the

confidence of enterprises is weak."

One bright spot in the European picture is consumer demand and confidence remain "rather good," the ECB policymaker said.

However, the slowdown in Europe and a lack of structural reforms have led to stagnation in efforts to achieve fiscal discipline which is crucial to the euro's success, she said.

"I would like to underline that it is still too early to make any clear assessment of the final success and role of the euro," Hamalainen said, adding she found it "astonishing" that some people were trying to make that determinations so soon.

She said she was confident in the long-term credibility and stability of the single currency, citing several factors that could support the euro in the future.

Hamalainen said the euro area has a strong external balance compared the external deficit of the US economy.

Moreover, the US economy is expected to slow while Europe should pick up, which would narrow the gap in growth rates.

The ECB will monitor exchange rate developments along with other economic and financial indicators relevant to inflation.

In "very exceptional cases" where there seems to be a clear misalignment or excessive volatility, Hamalainen said the Euro system could act to signal the exchange rate is not justified.

The options for such action include "oral intervention," intervention in the foreign exchange market or altering interest rates, she said, noting market intervention had limited impact while interest rate changes were more potent.

Asian currencies close week mixed

HONG KONG, Apr 25: Asian currencies had mixed fortunes against the dollar last week, with the Japanese yen weakening while others strengthened or remained stable, reports AFP.

JAPANESE YEN: The yen lost ground against the dollar as Japanese financial authorities warned of a strong yen.

The Japanese currency was quoted at 119.56-59 against the US unit late Friday, compared with 118.21-24 a week earlier.

The yen rose to the 117 yen level during the week, but its gain was short-lived with investors selling the Japanese currency after Japan's finance minister warned against a strong yen, dealers said.

Asked about the yen's appreciation to the 117 yen level against the dollar, Finance Minister Kiichi Miyazawa said: "I do not think it is good."

Miyazawa said he supported comments by Eisuke Sakakibara, vice finance minister for foreign affairs, who has repeatedly warned the yen's recent gains did not reflect Japan's economic state.

But the yen recovered slightly on Friday following a report that Japan is planning a new stimulus package, dealers said.

AUSTRALIAN DOLLAR: The Australian dollar leapt through

the 65 US cent mark on Friday and strong offshore demand is set to continue in the week ahead, brokers said.

Colonial State Bank treasury manager Nick Volanakis said renewed optimism about the domestic economy had attracted overseas interest.

"I think everybody's fairly euphoric on the Aussie," he said.

On the Reserve Bank's Trade Weighted Index, the Aussie closed at 58.0, from 57.0 the

previous week.

SINGAPORE DOLLAR: The Singapore dollar ended the week lower against the US dollar at 1.7085 from 1.7030 the previous week as demand for the greenback soared on the back of a US stock market rally.

HONG KONG DOLLAR: The Hong Kong dollar closed at 7.749-7.750 to the greenback compared with 7.7478-7.7488 a week ago.

PHILIPPINE PESO: The Philippine currency closed 0.3

per cent higher at 38.02 pesos to the dollar on April 23 from 38.15 pesos to the dollar on April 16.

THAI BAHT: The Thai baht was relatively stable against the dollar in the past week as it moved in line with dollar/yen trading, dealers said. Market volumes were thin, with buyers mostly importers and cooperates with offshore debts.

The Thai unit closed Friday at 37.55-58 baht to dollar compared to the previous week's close of 37.45-50.



Mahbub Jamil, Chairman and Managing Director of Singer Bangladesh Ltd., addresses the inaugural session of the company's instructors meet on Friday at Rajendrapur in Gazipur. — Singer photo

Foreign aid programme Taliban govt to allow women to work

KABUL, April 25: Afghanistan's ruling Taliban militia has signed its first official protocol to allow Afghan women to work with a foreign aid organisation, authorities said Sunday, says AFP.

"It's a major step forward," Terre Des Hommes (TDH) delegate, Colin Tucker said. "Women will be back working in the community but it is a pity this has taken so long."

The Taliban imposed a strict code of Islamic Sharia law when they took control of Kabul in 1996, excluding women from the work place and education while limiting access to health services.

Such moves upset feminist groups and forced governments to restrict funding to aid organisations struggling to cope in war-torn Afghanistan.

The protocol between Swiss-based TDH and the Taliban will allow up to 50 local women to work in a child aid program around Afghanistan.

It followed about 18 months of negotiations.

Other foreign aid groups have been attempting to strike a

similar agreement with the Taliban, so far without success. But one aid worker said the TDH protocol could set a precedent.

The protocol was signed by the Taliban's health minister Mulla Mohammad Abbas Akhund and will enable TDH to begin its program aimed at reducing child mortality rates and improving infant health care.

"The problems really start today. We have to secure our funding base and ensure security for the women with the Ministry of Vice and Virtue," Tucker said.

"Aid groups have been caught between a rock and a hard place. There's the Taliban on one side and the donors -- and their demands -- on the other," Tucker said.

He said the Taliban had signed the deal just six days before the entire program was scheduled to be scrapped.

But under the new agreement TDH will be allowed to expand its operations if funding and the local work environment permit.

Worst may be over for LatAm economies, says IMF

WASHINGTON, April 25: The worst may be over for Latin America's battered economies with the climb back to financial health beginning this year, the International Monetary Fund said here Saturday, reports AFP.

"We think the worst has passed and we are going to see something of a recovery," said Claudio Loser, director of the IMF's western hemisphere division.

The latest IMF figures estimate that Latin America's gross domestic product will shrink by 0.5 percent this year, but see a return to growth of 3.5 percent in 2000.

Loser said he was "cautiously optimistic" about the rate of recovery, expected to begin in the second half of the year, noting that Brazil was showing

faster than expected improvement from the economic woes caused by the devaluation of its currency, the real, in January.

With Brazil and Chile issuing global bonds this week, Latin America has collected loans amounting to 15 billion dollars so far this year -- twice the amount invested in the second half of 1998.

Other encouraging signs include the partial recovery in the prices of raw materials, particularly oil, though still 20 percent lower than its 1997 level.

But while Brazil and Argentina are showing progress, Venezuela and Ecuador continue to suffer from a "very difficult" recession, the IMF said.

This year, Venezuela's GDP will decline 3.6 percent and Ecuador will shed five percent, with both making slight recovery

between 3.5 and four percent this year, but Teresa Terminiassian, who is in charge of IMF programs in Brazil, says the estimate was cautiously on the high side.

"If we have any surprises, we'd prefer them to be good rather than bad," she said.

Loser told reporters that the Asian countries that unleashed a wide-ranging economic crisis in 1997 were beginning to show signs of improvement, while in Latin America the effects of the Brazilian recession were limited to its partners in the trade bloc Mercosur, Argentina, Paraguay and Uruguay.

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Sri Lankan exports fall amid poor tea prices

COLOMBO, Apr 25: Sri Lankan exports fell 7.8 per cent in the first two months of this year because of a huge drop in the price of tea, the country's main export commodity, central bank figures showed today, reports AFP.

Exports in January and February were worth 653 million dollars compared to 708 million dollars during the same period last year, the bank's economic indicators received here Sunday showed.

Industrial exports fell by 2.9 per cent but agricultural exports suffered a 25.4 per cent decline, the bank said.

Unclassified exports had, however, improved from four million dollars to 12 million dollars this year, the bank said, while mineral exports remained stable.

Imports were also down sharply during the first two months of the year. Imports fell 21.9 per cent to 796 million dol-

lars.

Economic analysts said the main reason for the falling export was the poor price for tea since August last year. Tea prices have fallen more than 35 per cent in dollar terms in the past year.

The drop in tea prices in rupee terms was 28.89 per cent, reflecting a 10 per cent depreciation of the rupee against the US dollar.

The bank said money held in foreign currency by the government and private individuals remained static at 2,856 million dollars at the end of February but the official reserves fell by 4.5 per cent.

The poor export performance began in the second half of last year and slowed the year's total exports to 4,735 million dollars, up just 2.0 per cent from 4,639 million dollars in the previous year.

In 1997, exports grew 13.28 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 | Buying OD, Sight Export Bill | Buying OD Transfer |
| US Dollar | 48.7300 | 48.7700 | 48.3100 | 48.1570 | 48.0850 |
| Pound Stg | 79.2447 | 79.3098 | 77.5472 | 77.3016 | 77.1860 |
| Deutsche Mark | 28.5241 | 28.5206 | 27.4647 | 27.3519 | 27.3110 |
| Swiss Franc | 32.5235 | 32.5502 | 31.796968 | 31.6494 | 31.7581 |
| Japanese Yen | 0.4121 | 0.4124 | 0.4014 | 0.4001 | 0.3995 |
| Dutch Guilder | 25.3154 | 25.3129 | 24.3751 | 24.2757 | 24.2394 |
| Danish Krona | 7.0117 | 7.0175 | 6.8507 | 6.8290 | 6.8188 |
| Australian \$ | 32.2690 | 32.2956 | 32.2955 | 30.9764 | 30.8321 |
| Belgian Franc | 1.3828 | 1.3833 | 1.3315 | 1.3266 | 1.3246 |
| Canadian \$ | 33.3676 | 33.3950 | 32.3924 | 32.2898 | 32.2415 |
| French Franc | 8.5049 | 8.5039 | 8.1890 | 8.1554 | 8.1432 |
| Hong Kong \$ | 6.3007 | 6.3059 | 6.2215 | 6.2018 | 6.1925 |
| Italian Lira | 0.0288 | 0.0288 | 0.277 | 0.0276 | 0.0276 |
| Norway Kroner | 6.2849 | 6.2901 | 6.1750 | 6.1554 | 6.1462 |
| Singapore \$ | 28.8800 | 28.9127 | 27.9604 | 27.8719 | 27.8302 |
| Saudi Rial | 13.0294 | 13.0401 | 12.8470 | 12.8054 | 12.7872 |
| UAE Dirham | 13.3040 | 13.3150 | 13.1170 | 13.0755 | 13.0559 |
| Swedish Krona | 5.8270 | 5.8318 | 5.7493 | 5.7311 | 5.7225 |
| Qatar Riyal | 13.4217 | 13.4327 | 13.2302 | 13.1883 | 13.1686 |
| Kuwaiti Dinar | 165.0745 | 165.2110 | 153.1706 | 152.6865 | 152.4572 |
| Thai Baht | 1.2993 | 1.3004 | 1.2847 | 1.2806 | 1.2787 |
| Euro | 52.5066 | 52.5497 | 50.5564 | 50.3963 | 50.3210 |

| 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 | 4.90 | 5.00 | 5.19 |
| 48.0850 | 48.7300 | GBP | 5.3475 | 5.33 | 5.3125 |
| Cash TC | Cash/TC | Euro | 2.5775 | 2.59438 | 2.6150 |

| Exchange rates of some Asian currencies against US dollars | | | | | |
|--|-------------|-------------|-------------------|-------------------|------------|
| Indian Rupee | Pak Rupee | Thai Baht | Malaysian Ringgit | Indonesian Rupiah | Korean Won |
| 42.75/42.85 | 50.55/50.65 | 37.52/37.59 | 3.8000/3.8001 | 8550/8600 | 5/1195 |

Amex notes on Thursday's market
The interbank foreign exchange market was very quiet on Sunday due to weekend in the international market. Big market players refrained from trading on Sunday. Also, demand for USD against BDT was low, as banks have already covered their need on Thursday. USD/BDT rate ranged between 48.6500-6550. Call money market was steady with call rates ranging between 6.50% and 7.25%. Auction for Treasury bills held on Sunday.

The dollar rose against Europe's single currency on Friday as hopes for a speedy solution to the Kosovo conflict faded and traders were reluctant to take on new risk before key global meetings. The dollar lost ground against the Japanese yen. Following a well-set pattern, currency traders mostly eyed the Balkan crisis for trading clues but became newly disillusioned with the prospect for peace on Friday afternoon. Although Yugoslavia's offer for a deal on Kosovo had already been rejected, traders initially wanted to hold euros for fear of sudden improvement in the situation.

Sterling extended a Kosovo-related rise against the dollar and reaches session highs, while retaining ground against the euro as the unit proved unable to sustain a rally.

In New York, the majors closed against US \$ at 119.25/119.35 JPY, 1.5083/1.5093 CHF euro at \$ 1.0615/1.0625 and GBP at \$1.6152/1.6162.

Shipping Intelligence

| Chittagong port | | | | | | | | | |
|---|--------------------|------------|--------|-------------|-----------------|---------|--|--|--|
| Berth position and performance of vessels as on 25.4.99 | | | | | | | | | |
| Berth No | Name of vessels | Cargo | L Port | Local agent | Date of arrival | Leaving | | | |
| J/1 | Lafayette | | | SWSL | 25/4 | 28/4 | | | |
| J/2 | Kalimantan Pacific | GI/Fer | Labu | OLM | 5/4 | 30/4 | | | |
| J/3 | Yasmina | GI/Rice(P) | Yang | SMSL | 9/4 | 29/4 | | | |
| J/4 | Darya Ma | Wheat(P) | Cal | MSA | 26/3 | 30/4 | | | |
| J/5 | Pacific Bridge | GI | Sing | MSA | 7/4 | 29/4 | | | |
| J/6 | Xing Ye | Rice(G) | | MHCSL | R/A | 3/5 | | | |
| J/7 | Asean Premier | GI | Sing | Prog | 14/4 | 29/4 | | | |
| J/8 | Galina-III | R-Seed | Frang | Seagroy | 31/3 | 29/4 | | | |
| J/9 | You Yau | Rice(P) | Kand | EOSC | 28/3 | 10/5 | | | |
| J/10 | Sea Falcon | Rice(P) | Kara | EOSL | 23/3 | 26/5 | | | |
| J/11 | Al Quamar | Rice(G) | Viza | BSL | 17/4 | 29/5 | | | |
| J/12 | Banglar Mond | Cont | Sing | BSC | 23/4 | 26/5 | | | |
| J/13 | Kota Singa | Cont | Sing | PILBD | | | | | |