HK likely to follow US interest rate hike move

HONG KONG, Aug 11: Hong Kong banks are likely to follow any US interest rate hike, even though this could slow the territory's recovery from a prolonged recession, reports Reuters.

The US Federal Reserve is expected to raise key interest rates by a quarter percentage point at its next board meeting on August 24, after a surge in July jobs data. That was interpreted as a sign the US economy could be overheating.

"I think Hong Kong will have no choice but to follow a US rate hike because of the interest rate gap," said Frank Gong, senior economist and currency analyst at Bank of America.

Hong Kong's dollar is linked to the US dollar in a currency board system so Hong Kong interest rates tend to follow the trend of US interest rates.

If US rates rise but Hong Kong rates stay steady, it is more attractive for institutions to hold US dollars than Hong Kong dollars. That puts pressure on the local currency and pushes up interbank rates through the currency board.

Since the Fed raised rates by a quarter percentage point at the end of June, Hong Kong in-

BCIC-740-4/8/99

DFP-17081-5/8

G-1476

terbank rates have risen around a half to one percentage point, signalling increased borrowing costs for Hong Kong

Hong Kong banks held lending rates steady after the June Fed hike, but analysts said another US rise would increase pressure on the Hong Kong Association of Banks (HKAB) to follow suit.

Members of the HKAB could hike key deposit rates, now 3.5 per cent, at a weekly meeting on August 27, and when deposit rates change, prime rates usually follow the same day.

"It's a question of profitability," said Craig Chan, regional treasury economist at Standard Chartered Bank. "Banks are holding off hiking rates to the benefit of consumers and corporates.

Chan said bank earnings. had improved but were still weak, and banks would have no choice but to raise lending rates to maintain profit margins.

Interbank rates for maturities under six months are above six per cent, and six-month and longer rates are above seven per cent. Major banks are quoting prime rates at 8.25 per cent and

BCIC International

Tender Notice

বিসিআইসি'র পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

Managing Director, Khulna Newsprint Mills Ltd., Town

Khalishpur, Khulna invites sealed quotation under 2 (two)

envelope system against International Tender Enquiry No.

KNM/PD (F)-29/99 for AIR HEATER TUBES FOR

BOILER on C&F (C) Mongla Liner term basis under Cash

Foreign Exchange. The quotation will be received up to 3.00

PM on 8-9-1999 which shall be opened immediately

thereafter. Tender documents shall be available on payment

of Tk. 200.00 (two hundred) per set (non-refundable) from a)

KNM Ltd., Khulna, b) BCIC, 30-31, Dilkusha C/A, Dhaka

and c) BCIC Branch Office, 6, Agrabad C/A, Chittagong.

Earnest money is Tk. 1% of the total quoted C&F(C) Mongla

value. No tender documents shall be sold on the date of

opening. The authority reserves the right to accept or to reject

Government of the People's

Republic of Bangladesh

Local Government Engineering Department

Noakhali Rural Infrastructure Development and

Maintenance Project (RDP-22)

Office of the Project Director

LGED Bhaban, Agargaon

Sher-e-Banglanagar, Dhaka-1207

Invitation of Proposal for

Short-listing of NGOs

The Government of the People's Republic of Bangladesh has

received a grant from the Swiss Agency for Development and

Co-operation, hereinafter referred to as the SDC, towards the

cost of Noakhali Rural Infrastructure Development and

Maintenance Project (RDP-22) and intends to apply part of the

funds to cover eligible payments under the contract for

'Complementary Poverty Reduction Measures' activities to be

The Project Director, Rural Development Project-22, now

invites sealed proposals from local NGOs of Noakhali District to

participate in various activities of the Project Components on

Interested NGOs are requested to submit a 'Letter of Interest'

within August 30, 1999 addressed to: The Project Director,

NRIDMP, RDP-22, LGED Office, Hospital Road, Maijdee Court,

Noakhali and Liaison Office, LGED Bhaban (Level-12),

Agargaon, Sher-e-Banglanagar, Dhaka-1207 (Copy to CPA,

2.1.1 NGO Profile (NGO Profile Forms are available at the office

2.1.2 At least 1 (One) completion report from previous project.
2.1.3 Transaction Certificate from Bank or other financial

Only those who submitted the Letter of Interest with complete

attachments will be considered for review and shortlisting. Only

shortlisted NGOs will be notified and invited to submit Technical

and Financial Proposal. Terms of Reference (TOR) will be provided

only to NGOs who have been shortlisted. LGED reserves the right to

accept any or all applications without assigning any reason

Name of the work

Level Crossing Gate No. T/3(Spl.) in

connection with widening of Zakir Hossain

At Pahartali in between Railway Station PHT-

KBDM, Up-grading of Level Crossing Gate No.

E/4-C in connection with widening of Zakir

All terms & conditions regarding the above tenders will be available in the tender documents.

Tender documents are to be purchased at the cost of Tk. 400/-(Four hundred) only (Non-refundable) per set.

Hossain Road by Chittagong City Corporation.

Road by Chittagong City Corporation.

NRIDMP). The following documents should be accompanied

undertaken only at Hatiya Thana of Noakhali District.

Complementary Poverty Reduction Measures.

of the Executive Engineer, LGED, Noakhali).

2.1.4 Three (3) Letters of References.

Tender Notice No: CE/E-30/99/W(I)

with the proposal:

2. Attachments:

institution.

whatsoever.

G-1483

Group

No. Rail/B/86

G-1484

DFP-17186-8/8 -

DFP-17142-8/8

Letter of Interest

Memo No: LGED/PD/RDP-22/P-02/99/588

Miran Fazlur Rahman

Addl Chief Manager (Purchase)

For Managing Director

Dated: 4.8.99

any or all bids without assigning any reason thereof.

many offer mortgages at sub-prime to compete for business. Some analysts said if a rate hike prompted institutions to switch holdings from Hong Kong dollars to US dollars, this was not necessarily bad.
"You can call it capital out-

flow, but I would rather see it as a healthy correction," said an economist at a Hong Kong bank. "For the first six months of this year, we've had a phenomenal rise in asset markets and a correction was inevitable .. people were saying Hong Kong was creating an asset bubble which would be very unhealthy

in the long run." But higher nominal interest rates would weigh on the real economy. Real interest rates nominal rates less inflation were already very high because price levels in the territory re-

mained in a falling trend.

Prohibitively high real rates would slow economic recovery. though economists said a quarter percentage point hike would not have a drastic impact on Hong Kong as banks have cut rates seven times, by a total of 175 basis points, since mid-October 1998.

Hong Kong has been in the grip of the worst recession in a generation, with the economy shrinking 5.1 per cent during 1998 and still weak in 1999, contracting 3.4 per cent in the first quarter from a year ear-

The Hong Kong government has said cautiously that the worst is over and they expect GDP to rise by 0.5 per cent for the year as a whole, barring unforeseen setbacks.

The next indicators, including GDP for the second quarter, are due on August 27, the day analysts say a Hong Kong rate hike could be in the offing if the Fed moves first on August 24.

of auction call

Name of work

Estimated expenditure

Amount of security

Time limit for work

schedule of auction

Those who can

participate in auction

Officials of offices by

whom schedule of

auction call in sealed

condition will be

Last date and time of

dropping/ receiving

of quotation of

auction call in sealed

Date and time of

filing schedule of

auction call in sealed

Date and time of

opening schedule of

will

where

be

Offices

available

call

received

condition

condition

auction call

houses/shops

Number

DFP-17128-8/8

G-1482

Government of the People's

Republic of Bangladesh

Office of the Executive Engineer, R&H

Road Division, Patuakhali

Quotation notice of auction call in sealed

tender in Bangladesh Form No 2911

Quotation notice no : Patu RD 01/1999-2000

(new call).

Auction call of government

semi-pucca houses of

different sizes/tin-shed

houses made of wood/shop

as and where they are basis

on the government-acquired

land on the southern side of

the bridge for constructing

Subidkhali Bridge adjacent

to Subidkhali Bazar on the

14th KM of Chandkhali-

Bakerganj Road under

Patuakhali Road Division

Tk 10% (ten per cent) of

All houses/shops will have

to be taken after demolition

within 7 (seven) days of the

Executive Engineer, R&H,

Road Division, Barisal/

Barguna/Office of the

undersigned and all the

offices of the Executive

Engineers under Patuakhali

Road Division till 18-8-99

'A' to 'E' (R&H) contract/

PL firm/renowned persons.

Engineer, R&H, Barisal

Executive Engineer,

R&H, Road Division,

Road Circle, Barisal.

Barisal/Barguna.

24-8-99 at 11.00 am. In the

office chamber of the

10 (ten), area 175.20 sqm

Executive Engineer, R&H

Road Division, Patuakhali

undersigned.

19-8-29 till 12-30 pm.

: 19-8-99 at 12-45 pm.

Executive Engineer.

(approximately).

Superintending

Pirojpur/Bhola/Jhalakathi/

Subidkhali-Kanoki-

during 1999-2000.

quoted rate.

Tk as per quoted rate.

issue of work order.

during office hours.



The file photo dated 30 June 1999 showing a talkative US "Furby" doll. Japanese airlines have decided to oblige customers carrying those dolls with them to remove the batteries from the "Furby' before boarding. Japanese airlines officials said Tuesday the dolls are a danger to the flights. - AFP photo

Chinese exports rise to 12-month high Yuan devaluation pressure eases

BEIJING, Aug 11: China's exports recorded their strongest rise for more than a year in July, foreshadowing a stronger second half performance and easing pressure for a devaluation of the yuan, economists said today, reports Reuter.

The official China Economic

Times said exports rose 7.5 per cent year-on-year to \$17.34 billion July while imports jumped 16.7 per cent to \$13.92 billion, producing a trade surplus of \$3.42 billion.

It was only the second monthly rise in exports this year - the other was a 4.2 per cent rise year-on-year in May and followed a 1.3 per cent drop in June. Last year they grew a lame 0.5 per cent compared with a 20.9 per cent surge in

"The July export figure is better than people had expected," said Li Jian of the Academy of International Trade and Economic Cooperation, which is affiliated to the Foreign Trade Ministry.

It pointed to a recovery after more than a year of declining sales to crisis-hit Asian countries, he said.

"Recovering economies are having a positive impact on China's overseas sales," he said. "Exports in the second half of this year are expected to outperform those in the first half."

Exports fell 4.6 per cent in the first six months of this year compared with the first half of 1998 and the July number, the steepest rise since April last year, drew sighs of satisfaction.

An analyst at the China Zhonghui Foreign Exchange Consulting Company said the trade figures would help support China's yuan currency, the subject of recent devaluation specu-

"Rising exports in July are definitely good news for the yuan," said the analyst, who declined to be identified.

"And the yuan is still cushioned by foreign exchange reserves, he added. China had \$147.05 billion in its reserves at the end of June.

The yuan is unlikely to be devalued unless Beijing, which has said there would be no reason to do so as long as China had a balance of payments surplus, saw clear economic benefits, the analyst said.

The yuan ended unchanged against the dollar at 8.2771 on Wednesday with dealers citing the July trade figures as the main reason for its stability.

"These figures were the best monthly data so far this year, a local bank dealer said. "They helped the yuan stay at high

It said China's exports fell 2.8 per cent year-on-year to \$100.2 billion in the first seven

months, while imports grew

16.6 per cent to \$88.9 billion.

Faster growth seen in global demand Oil stays by 22-month high on IEA report

LONDON, Aug 11: Oil prices sped to new 22-month highs before slipping a little yesterday amid good demand for physical crude and projections of faster growth in the world's thirst for

oil next year, reports Reuters. Benchmark Brent blend crude oil was valued at \$20.49 a barrel by the London close, down one cent after hitting a peak of \$20.57 in a late rally, its strongest value since October

Oil has rocketed by a full \$1 a barrel in the space of a week amid fresh evidence of restraint by OPEC producers, strong US products markets and improv-

ing refinery profit margins. The market posted a solid 40 cent gain on Monday after an explosion at a US oil refinery strengthened US refined prod-

ucts values. On Tuesday the market drew more strength from International Energy Agency (IEA) estimates that world oil demand growth would quicken

markedly next year after slow increases in the past two. "The nascent economic recovery in Asia should continue to gather momentum and non-OPEC supply growth will be sluggish," the Paris-based IEA said in its monthly Oil Market

Report. demand for crudes in Europe.

Brokers said good physical triggered by an upswing in re-

Dated: 02.8.1999

finery profit margins, also helped underpin the market.

The IEA said initial estimates for demand in 2000 showed growth of 1.8 million barrels a day (bpd) to 77 million, double the 900,000 bpd increase this year. Non-OPEC supplies would rise only modestly next year.

Some brokers said that despite Brent's strength, a slowing momentum of business and light trading volumes might amount to a technical warning that a correction could be due.

But overall sentiment remains firm following latest indication that the Organisation of Petroleum Exporting Countries is keeping a tight rein on production.

The IEA said OPEC's compliance with its production cuts was 91 per cent in July from 87 per cent in June. That reinforced the view that OPEC was keeping discipline after it decided to cut production sharply in April through to March next

The IEA said demand for OPEC crude would jump to 28.9 million bpd in 2000 compared with current output of just over 26 million bpd.

On Monday, Venezuelan Energy and Mines Minister Ali Rodriguez said he did not expect any change in OPEC's production policy when the group meets next month.

British jobless rate falls to 19-year low

LONDON, Aug 11: Britain's unemployment rate plunged to a new 19-year low of 4.3 per cent in July, as the number of jobless claiming benefit tumbled by an unexpectedly large 32,900, official figures showed today, reports Reuters.

Analysts said the nose-dive in unemployment, which had been expected to fall a more modest 5,500, together with a pick-up in average earnings, highlighted the inflationary risks in the economy and reinforced the belief that further interest rate cuts were now firmly

off the agenda. The Office for National Statistics said substantial bonuses had helped push average earnings growth up to 4.4 per cent in the three months to

seemed unconcerned about labour market conditions.

Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka: Central bank USD/BDT rate: Buying-BDT 49.35/Selling-BDT 49.65 Selling Currency Buying TT/OD BC OD Sight OD Clean DOC Transfer

4973.00 49.7700 USD 49.3200 49.1566 49.0707 0.4449 0.4452 JPY 0.4184 0.4170 0.4163 33.4095 33.4363 CHF 32.7599 32.6513 32.5295 30.5467 30.5713 SGD 28.8590 28.7633 28.7131 34.1552 34.1827 CAD 32.0989 31.9926 31.8744 6.0757 6.0806 SEK 5.9615 5.9417 5.9292 34.4430 34.4707 AUD 30.1888 30.0887 29.8890 13.2268 13.2374 MYR 12.8431 12.8005 12.7682 6.4563 6.4615 HKD 6.3041 6.2832 6.2698 13.3704 13.3812 SAR 13.0466 13.0033 12.9703 13.6516 13.6626 AED 13.3161 13.2719 13.2380 0.0416 0.0417 KRW 0.0409 0.0408 0.0407 80.7566 80.8215 GBP 79.0797 78.8176 78.5327 52.3778 52.2043 53.6587 53.7018 EUR 52.1131 **Usance Export Bills**

TT Doc 30 Days 60 Days 90 Days 120 Days 180 Days 49.2183 48.9146 48.5093 48.0431 47.5364 46.4013 Exchange rates of some Asian currencies against US dollar Indian Rupee Pak Rupee Thai Baht Mal Ringgit Indo Rupiah Sing Dollar 43.41/43.61 51.30/51.60 37.82/37.87 3.7998/02 1.6680/90 US dollar Libor 1 month 3 months 6 months 12 months 5.25625 5.44 5.87625 6.0925

5.19641 5.31156 5.63719 5.97094 49.1 **Market Commentary**

On Wednesday, the local foreign exchange market was active and the demand for dollar was steady. The greenback treaded in a range of BDT 49.6400 to BDT 49.6450. The call money market maintained its insipid tone and the call rate ranged between 5.00 and 5.50 per cent. In the international markets, dollar became weaker against

sterling as expectations that the British interest rates have reached a low were reinforced by stronger-than-expected UK jobs and average earnings data and the Bank of England inflation report.

At 1730 hours local time, dollar traded at 1.0668/71 against euro, 115.19/24 against yen and GBP at 1.6106/16 against

Shipping Intelligence

Chittagong Port Berth position and performance of vessels as on 11.8.99

Leaving		Local agent	L port call	Cargo	Name of vessels	Berth No
21/8	8/7	Owsl	Newo	Wheat(P)	Feng	J/1
1773,777,974,777	E E E E E E E E E E E E E E E E E E E	UMTL	Mumb	CI	Laconikos-II	J/2 -
\$2000 BEADER		SMSL	100 M	CI	Ocean-1	J/3
17/8	0.78	Prog	Mad	G	Seven Seas	J/4
12/8	T. A. L.	RML	Sing	GI	Pernas Proton(48)	J/5
2010/04/19/2019		Fortune	Sant	Sugar(G)	Eleftherotria	J/6
15/8) ""-(7,27,10,200)	BSC	Kaki	Rice(P)/GI		J/7
13/8	5 VENDED 95355 405	Rainbow	Houst	Wheat(P)	Minerva-P	J/8
F 84 S 1 Y 1 S 2 S 2 S 2 S 2 S 2 S 2 S 2 S 2 S 2 S	1 ACHUTY (MCC)	Litmond	Sant	Sugar(G)	Osteriesland	J/9
16/8		MBL	Gress	k (Confd)	Silver Star C.Clir	J/10
5,000,000,000) 250 0 0000		Lapa	R.Seed	Nopporn Naree	J/11
\$74.630.550.5740	NT-FRESS	Eosl	P.Kel	Cont	Bunga Maslima	J/12
13/8	U-200025505	QCSL	Sing	Cont	QC Mallard	J/13
11/8		Pil(BD)	Sing	Cont	Kota Cahaya	CCT/3
15/8	R/A(11/7)	AND THE PROPERTY OF THE PARTY O	Zaka	Cement	Borobudur	RM/14
****		Owsl	Durb	Idle	Phaethon	RM/15
11/8	R/A(20/5)	E550 50 Automotive	25	C.Clink	Younglly	യ
15/8		Usto	Sing	Cement	Everise Glory	GSJ
12/8	\$ \$5000 AND	Seacom	Durb	Cdso	Rheinsteran	RM/3
0.05401-00.00040	933860000	BSC		Repair	Banglar Shourabh	DOJ
15/8	1 5.57(0 0 570,071)	CCNL	1725	Repair	Sea World	RM/8
13/8		BSC	Mong	Repair	Banglar Doot	RM/9

Vessels due at outer anchorage Name of vessels Date of L port Local Cargo Loading arrival call Martina Mong SMSLSurvey purpose Sun Bright GI(Maize) Mong Viking Scraping Tug Smit Sulawest Sin Viking Joy World (48)5/7 12/8 Tanj SSLL Jaya Venus(Cont)25/7 14/8 Cont Sing Kota Berjaya(Cont)3/8 13/8 Sing Pil(BD) Cont Sing QC Teal(Cont)29/7 Sing QCSL Cont Sing Karunia Pacific Pada SMSL Cement Banga Birol(Cont)1/8 Sing Bdship Cont Sing Jaya Mars (Cont)5/8 - Baridhi Cont Col Kota Singa(Cont)5/8 Sing Pil(BD) Cont Star Glory PSAL Cement Mandiri Jaya Everett Nordkap(Cont(8/8 RSL Cont Banglar Moni(Cont)1/8 Cont Sing Banglar Shikha (Cont)8/8 18/8 Cont Sing Sing Sin Hai(Cont)8/8 Sing Cont Bunga Maslapan(Cont)8/8 18/8 P Kel Cont Kota Naga (Cont)8/8 Sing Pil(BD) Cont Andhika Adiratna Jaka ASA GI(St Coil) Ultima (Cont)8/8 Sing Cont Ocean Mist Jedd Cross Carcases Ocean Blue (Roro/24) 4/8 BBA Vehi Jurong Balsam(Cont)10/8 19/8 Sing Cont Banglar Gourab Rice(P)/GI Kochi Banglar Mamata BSC Banglar Robi(Cont) 10/8 Cont San Mateo(Roro/24)3/8 21/8 P.Kel Vehi Thor Spirit 20/8

Tanker due Danat Qatar Jebe USS 11/8 Crude Oil Pacific Glory 14/8 - Seacom RBD Prandva Pratama 14/8 F.Oil Sing CTPL Name of vessels Cargo Last port Local Date of agent arrival

Vessels at Kutubdia Energy Explorer-IV -BBAL Seabulk Command -R/A(5/7) IBS Seabulk Eagle R/A(7/8) Vessels at outer anchorage Ready on: Ocean Merit C Clink Sing OIL Da Fa(Cont) P Kel Cont Rsl Fontana Darb Sugar(G) Fortune Yong Jiang S.Hai **BDship** Banga Biraj(Cont) 10/9 **BDship** Xpress Resolve)Cont) Cont 10/8

Sing

Lank

10/8

10/8

Shifting

RM/15 Phaethon T RM/8

BSL

21/7 Saigon-1 R Phos Jibo Seacom Atilantic ECSL HSD/Jet A-1 Sing Revenge Sunshine Vessels not ready Duden Wheat(P) Hust Litmond 1/8 Rubin Bonanza GTSP(P) Durb OWSL General Mojica Seaglory GI(D.P) Sing Vessels awaiting instruction R/A(10/9) Karya Sentosa Rice(G) USTC R/A(24/9) RITZ Kaki Rice(P) Cross R/A(20/6) MHCSL Rice(G) R/A(7/7) Delta Star RSA OLM 8/1 Bank Humber ABLE

Xing Ye Palau Mawar R/A(10/7) Tasmia R/A(29/7) Nishan Banglar Asha R/A(25/7) BSC Banglar Maya R/A(28/7) BSC Banglar Jyoti R/A (1/8) BSC R/A(8/8) Sarah-1 SMSL Vessels not entering Lokpratima P Said Litmond Fert SSLL Diglipur Col Scraping

31/7 EOSL Mong Sea Eagle Ballast AHZ 6/8 Sameer-1 Peng Scaraping Athenian Horizon Ballast

Movement of vessels for 12.8.99 Outgoing Incoming

J/5 Joy World

CCJ Ocan Merit

RM/3 Rheins RM/15 Sun Bright DOJ B Maya DOJ B Shourabh RM/8 Sea World

June from 4.3 per cent in May. But the Bank of England The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group,

J/5 P Proton

CCJ Younglly

Tiger River(Cont)

Flag Investors

Cont

Cement

Earnest money

Md. Zahangir Alam

Project Director

Bangladesh Railway **Engineering Department** (East Zone)

Tender Notice

Sealed tenders are invited for the following works from the enlisted "C" Class Contractors of Bangladesh Railway/East Zone. Place & last date of selling of tender Approxidocuments mate cost

Bangladesh Rly., Chittagong, Divisional Chittagong, Divisional Commissioner, Chitta-12.30 hrs.

Place, date & time of dropping & opening of

tender documents

Railway Administration reserves the right to accept the tender in whole or in part thereof and to reject the tender without assigning any reason what-so-ever. **Nur Mohammad**

on 18.8.99 during office hours. Tk. 7.00 lacs

Commissioner, Chittagong's Office, gong's Office, Divisional Engineer/I/Chittagong Divisional Engineer/I/Chittagong & & III/Dhaka's Office dropping date 19.8.99, III/Dhaka's Office. Last date of selling dropping time up to 12.00 hrs., opening time at

On CN Branch at KM. 4/1-2 Up Grading of 2% of the quoted Tk. 9.00 lacs Chief Engineer/East's Office, Chief Engineer/East's Office, Bangladesh Rly., price

Addl. Chief Engineer/Track/East for Chief Engineer/East/CRB.