

Welfare reform fails to boost incomes of US poor

WASHINGTON, Aug 22: The 196 US welfare overhaul has failed to help boost the incomes of poor families and may have led to thousands of needy children being taken off the rolls, according to a new study, says Reuters.

The study, conducted by the Washington-based think tank Center on Budget and Policy Priorities, looked at income changes for households of various sizes headed by single mothers.

Single-mother households make up 90 per cent of those receiving welfare through the Aid to Families with Dependent Children (AFDC) programme.

It concludes that disposable income among the poorest 20 per cent rose by \$1,036 between 1993 and 1995 but fell \$577 between 1995-1997.

Released on the third anniversary of the signing of the law by US President Bill Clinton, the study attributes the decline to cutbacks in benefits like AFDC and food stamps.

"In our view, welfare reform should not be pronounced a 'success' until the outcome among these — the poorest families with children — is one of consistent income gains rather than income stagnation or losses," said Wendell Primus, who headed the study.

The study also suggested that some poor children were losing needed benefits.

Between 1993 and 1995, the number of poor children declined by 5.8 per cent, a drop similar to the decline in children receiving food stamps and AFDC.

Between 1995 and 1998, however, the decline in child food stamp recipients and child AFDC recipients was steeper than the drop in the number of poor children, suggesting that some needy youngsters were being left out.

The study noted that in states such as North Carolina and Pennsylvania, thousands of children and their parents were inappropriately terminated from Medicaid when they were terminated from cash assistance like AFDC.

S'pore non-oil exports up by 12pc

SINGAPORE, Aug 22: Singapore's non-oil domestic exports rose 12.0 per cent in July from a year earlier, compared with a 7.5 per cent year-on-year increase in June, the Trade Development Board said Friday, reports AP.

The monthly non-oil domestic export figure is considered a key economic indicator in Singapore, which depends heavily on exporting manufactured goods.

The figure refers to non-oil products that originate in the city-state, as opposed to those transhipped through its busy port.

Singapore's total non-oil domestic exports were valued at 8.49 billion Singapore dollars (\$4.99 billion) year-on-year in July.

The country's total trade was up 8.2 per cent to 32.87 billion Singapore dollars (\$19.33 billion) year-on-year in July.

"Despite the overall improvement in trade performance, there were isolated export segments and markets which remained depressed," said the Trade Development Board said in its monthly report.

Domestic exports of computer disk drives — a crucial product for Singapore — were up for the first time in four months, the board said.

But "it is uncertain whether the growth would be sustainable as price competition among the major disk drive manufacturers continues," it said.

Car sales in China continue to plummet

BEIJING, Aug 22: Passenger car sales in China continued to plummet with sales for July falling just over 18 per cent from June with 42,800 cars sold nationwide, state press reported today, says AFP.

The fall was the third consecutive monthly decline and was seen as fueling new pressures on the government to take stronger measures to stimulate consumption, the China Daily Business Weekly reported.

A perception among would-be car buyers that China's entry into the WTO would lower car prices, delayed implementation of fuel taxes, rigorous emissions restrictions and limited parking quotas were viewed as major culprits contributing to flagging car sales," it said.

Meanwhile many consumers complained that they have to pay local government fees equivalent to 80 per cent of the price of a car before driving it home, the paper said.

Massive government spending in 1998 helped car sales remain resilient in the early part of the year with sales rising by 10 per cent in the first four months of 1999 over the same period last year.

Some 85 per cent of passenger cars on Chinese roads were bought by government institutions and enterprises, although the government predicts increased purchases by individual consumers in coming years.

Industry analysts expected sales to be "flat or slightly negative" for the year, the first time since 1991, while describing the downturn as normal and "inevitable" after several years of tremendous growth.

Some 510,000 cars were sold in China last year, compared to just 50,000 cars in 1991, statistics show.

Turkey may issue 'earthquake bonds' for extra financing

ANKARA, Aug 22: Turkey could consider issuing "earthquake bonds" to cover extra financing needs that may arise as a result of the tremor that devastated Turkey's densely populated, industrial northwest last week, a government minister said Sunday, reports AFP.

But Deputy Premier and Minister of State in charge of the Economy Recep Onal said he did not believe the disaster would place an excessive burden on the national economy and gave assurances that the government would have "no problems" repaying domestic or international debts.

Onal, in an interview with the Anatolia news agency, rejected media comments that the

quake, which has claimed more than 12,000 lives so far, had set the economy back by at least five years.

"It may take some time to heal the wounds," he said, "but as far as our macro-economic balances are concerned, any retrogression is out of the question."

The bond issue under consideration, he said without giving further details, was a proposal by Ankara Chamber of Industries Chairman Zafer Caglayan, which he qualified as "a gesture of good will" in the framework of solutions proposed from all over for the good of the country.

The national assembly will

resume work on Tuesday and pick up its debates on social security, privatization and agricultural reforms where they left off before the earthquake struck, he said.

Onal said there was a good chance of a new stand-by agreement with the International Monetary Fund after negotiations resume next month with a visiting IMF delegation.

"Chances of a stand-by with the IMF are very high, because they had already shown appreciation of our work on the reforms," he told Anatolia. "Non-partisan, around-the-clock efforts by parliament (to pass the reforms) was also much appreciated."

"Markets and sources of financing rely heavily on confidence and the work provided by parliament is the most important element in providing that confidence," he said.

Talks were well under way for major loans from the World Bank as well before the quake struck, Onal said, hinting that there was no reason for the figures to be revised downwards after the disaster.

"Inflation will continue to be kept under control and the Central Bank's liquidity management policy will remain unchanged," he said.

"Our major loss is the valuable loss of human lives," Onal added. "That will take time to replace, but we will succeed."

Investor appetite for Asian equity issuance dies down

HONG KONG, Aug 22: Investor appetite for a flood of Asian equity issuance has declined sharply in recent weeks, partly because an oversupply of questionable quality has started to depress prices in local share markets, analysts said, reports Reuters.

"Over the last six months the quality of new issues has left quite a lot to be desired," said Hugh Young, managing director at Aberdeen Asset Management in Singapore.

"As of today, getting issues away is tough. There are not that many issues that meet our quality in the pipeline."

Dan Fineman, regional strategist at Jardine Fleming Securities, said Thailand and Indonesia — two of Asia's smallest and weakest share markets — are starting to suffer from the oversupply of fresh equity.

"This is one of the most significant domestic risk factors,"

fineman said. "In several markets we're reaching the point where the supply of new equity is very high in relation to market (capitalisation) and it's a drag on performance for some."

Asian borrowers raced to raise cash on some of the world's best-performing stock markets until about a month ago, when renewed concern about the direction of US and global interest rates prompted weakness and consolidation.

In one of the clearest signs of fading investor interest, South Korea's Hanvit Bank was forced to price its \$1 billion issue of global depositary receipts on August 4 at a 21 per cent discount after delays because of weak market conditions.

Analysts said the obviously poor quality of some recent issues is starting to attract attention.

Indonesian-linked Golden Agri-Resources GAGR, SI finished at US\$0.49 per share on

Friday against a listing price of \$0.638.

Bank Ayudhya bank BAY.BK closed at 15 baht on Friday against a June issue price of 20 baht. The bank recently cancelled a plan to issue 150 million shares to Taiwanese investors.

The Industrial Finance Corporation of Thailand IFCT, BK ended at 17.50 baht on Friday against a July issue price of 18 baht.

A rights issue by Sinar Mas Group subsidiary PT Bank International Indonesia (BI) was priced at 125 rupiah against a share price of 225 rupiah when the rights were priced. The share had dropped to 150 by Friday.

"A lot of this was just a money-raising opportunity for survival when arguably some of these companies should be throwing in the towel," said Hugh Young at Aberdeen Asset Management.

Japan to need extra budget for recovery

TOKYO, Aug 22: Japan's Finance Minister Kiichi Miyazawa said today the government will need to compile a supplementary budget for the current fiscal 1999/00 year to ensure the nation's economic recovery, says Reuters.

Miyazawa said on a Fuji Television programme. "Such a measure may turn out in the future not to have been needed, but making double sure of assurances is needed," Miyazawa said.

He said that although consumer spending has improved slightly, capital spending by small to major firms for new equipment remained sluggish and thus machinery orders have failed to emerge.

"It is necessary for the government to make one more push," Miyazawa said.

Miyazawa did not elaborate on any figures for an extra budget.

He said he was confident that Japan's economy can achieve 0.5 per cent growth in domestic gross product (GDP) this fiscal year ending March 2000.

Japan should seek an economic growth rate of from two to three per cent in the future, he added.

"We will consider it (fiscal reform) seriously when the economy can grow at around two per cent, which may take about two years," he said.

Referring to last week's broad business alliance by three major banks — Fuji Bank Ltd 8317, Dai-ichi Kangyo Bank Ltd 8311, T. and Industrial Bank of Japan Ltd 8302, T. Miyazawa said two or three Japanese banks are likely to act on a global stage.

"In the late 1980s, global banks meant Japanese banks. But then they became sluggish and the butt of world ridicule," Miyazawa said.

"(But with this alliance), signs have emerged that two or three Japanese banks can act in an international stage," he added.

"Although various problems remain (in the banking industry), Japan is expected to get over the pinch," Miyazawa said.



A Russian biker plays his accordion and sings as a biker's camp wakes up into a cold morning at a three-day bike-show in a Moscow suburb Sunday. Thousands of bikers from Moscow, other Russian cities and from other countries took part in this rally.

— AFP photo

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 22.8.99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Ocean Mist	Caracases	Jedd	Cross	20/8	25/8
J/2	Revenge	GI	Mumb	Sunshine	3/8	28/8
J/3	Ocean-1	GI	Mumb	SMSL	R/A	23/8
J/4	General Mojica	GI(DP)	Sing	Seagory	9/8	30/8
J/5	Sun Bright	GI	Sing	MSA	12/8	25/8
J/6	Love Me Tender	GI/Wheat	Vala	Rainbow	12/8	29/8
J/7	Fontana	Sugar(G)	Darb	Fortune	6/8	26/8
J/8	Duden	Wheat(P)	Hust	Litmond	1/8	29/8
J/9	San Mateo(Roro/24)	Vehi	P Kel	JE	20/8	23/8
J/10	Winner	C Clink	Panj	MBL	19/8	30/8
J/11	Feng	Wheat(P)	Newo	OWSL	8/7	30/8
J/12	Jurong Balsam	GI	Sing	NOL	19/8	25/8
C/13	Kota Naga	Cont	Sing	PCSDI	16/8	23/8
CCT/1	Banglar Shikha	Cont	Sing	BSC	21/8	25/8
CCT/2	Sm Hai	Cont	Sing	RSL	19/8	23/8
CCT/3	Bunga Mas Lapan	Cont	P Kel	EOSL	19/8	24/8
RM/14	Banga Niro	Repair	Sing	Bdship	18/8	24/8
RM/15	Phaethon	Repair	Durb	OWSL	10/6	26/8
OCJ	Ocean Merit	C Clink	Sing	OTL	8/8	30/8
GSJ	Youngly	IDLE		PSAL	R/A	24/8
TSP	Saigon-1	R Phos	Jibo	Seacom	21/7	30/8
RM/3	Pacific Glory	RBD	Mad	Seacom	22/8	23/8
RM/5	Dignity	HSD/SKO/MS	Sing	ECSL	19/8	24/8
RM/6	AFJ Anand	C Clink	Sing	Apen	18/8	4/9
DCJ	Banglar Jyoti	Repair		BSC	R/A	23/8
RM/8	Sea World	Repair		CCNL	R/A	23/8
RM/9	Banglar Shourabh	Repair		BSC	R/A	30/8
CUFLJ	Flag Investors	Cement	Link	ESL	10/8	23/8

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Karunia Pacific	27/8	Padra	SMSL	Cement	
Martina	26/8	Mong	SMSL	Survey Purpose	
Ken Zui	22/8		RSA	Wheat(P)	
Ciro Sea	22/8	Sing	AHZ	Scraping	
Ena Supply-1	23/8		Total	P Mat	
Sun	23/8	Pira	UMTL	Scraping	
Kota Cahaya(Cont)11/8	23/8	Sing	PH(BD)	Cont	Sing
Andhika Adiratna	23/8	Jaka	ASA	GI(ST Coll)	Sing
Mandiri Jaya	30/8	Yang	Everett	GI	
Cardhu	31/8		Everett	GI	
Confidence(Cont)12/8	23/8	Sing	RSL	Cont	Sing
QC Malabar(Cont)16/8	24/8		QCSL	Cont	Sing
Thor Spirit	22/8	Mid	Oil	GI	
Xpress Makalu(Cont)11/8	24/8	MGL	Baridhi	Cont	Sing
Xpress Resolve(Cont)17/8	25/8	Sing	RSL	Cont	Sing
Da Fa (Cont)17/8	25/8	Sing	RSL	Cont	Sing
Tiger River(Cont)16/8	25/8	Rol	NOL	Cont	
Jaimi(48)12/8	25/8	Cal	Royal	GI(Coll)	
Star Glory	25/8		PSAL	Cement	
Banglar Gourab	25/8	Kochi	BSC	Rice(PGI)	
Uetina	25/8	Jedd	H&SL	Scraping	
Eastern Victory	26/8	HAL	Everett	Urea	
Banglar Robi (Cont)10/8	26/8	Sing	BSC	Cont	Sing
Arktis Hunter(48)18/8	26/8	RB/Abbas	Everett	GI(Cont)	
Althea	26/8		Prog	GI	
QC Teal(Cont)17/8	26/8	P Said	Ancient	Wheat(G)	
Banga Biraj(Cont)17/8	26/8	Sing	QCSL	Cont	Sing
Orto(48)18/8	29/8	Cal	PH	Cont	Sing
Bunga Mas Enam(Cont)18/8	28/8	P Kel	EOSL	Cont	Sing
Kota Berjaya(Cont)19/8	28/8	Sing	PH(BD)	Cont	Sing
Xpress Padma(Cont)17/8	31/8	Sing	RSL	Cont	Sing

Tanker Due

Nil

Vessels at Kutubdia

Name of vessels	Cargo	Last port call	Local agent	Date of arrival
Energy Explorer-IV			BBAL	5/4
Ismaya			BBAL	17/8
Smitlooyd-74			BBAL	R/A(17/8)
Seabulk Command			IBS	R/A(5/7)
Seabulk Eagle				R/A(12/8)
Dunat Qatar	C Oil	JIBE	USS	12/8
Banglar Shourabh	C Oil		BSC	R/A

Vessels at outer anchorage

Ready on

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Delight Glory	GI	Chin	Seacom	18/8
Ever Brisk	GI	Sing	RML	19/8
Eliza(Cont)	Cont	Col	Baridhi	20/8
Great Concord	C Clink	Pak	RSA	20/8
Achiever(Cont)	Cont	Sing	RSL	20/8
Ultima(Cont)	Cont	Sing	QCSL	21/8

Vessels not ready

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Rubin Bonanza	GTSP(P)	Durb	OWSL	7/8
Navigator	R Phos	Nanj	Seacom	15/8
Handy Silver	Wheat(P)	Sing	MSA	17/8
Banglar Mamata	Rice(P)/GI	Kaki	BSC	19/8

Vessels awaiting instruction

Name of vessels	Cargo	L port call	Local agent	Date of arrival
Karya Sentosa	Rice(G)		USTC	R/A(18/9)
RITZ	Rice(P)	Kaki	Cross	R/A(24/9)
Xing Ye	Rice(G)		MHCSL	R/A(20/6)
Delta Star			RSA	R/A(7/7)
Palau Mawar		Bank	OLM	8/1
Humber			VML	R/A(10/7)
Tasmia			Nishan	R/A(29/7)
Banglar Mookh			BSC	R/A(18/8)

The following are shipping position and performance of vessels Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

ROK govt mulls Daewoo debt restructuring

SEOUL, Aug 22: South Korea's government may use more cash for the restructuring of the embattled Daewoo Group, along with debt rescheduling, to help stabilize volatile financial markets, reports said today, says AFP.

An unnamed senior government official told Yonhap News agency that steps such as the injection of additional cash were needed to speed up the sale of Daewoo Group units.

"The fundamental solution is to enhance the value of Daewoo units for sale. We will consider using additional funds, along with debt rescheduling," he said.

The reported move highlighted widespread jitters over Daewoo's restructuring which

has sent bond yields rising sharply.

Financial watchdogs have called an urgent session Monday with financial institutions to discuss steps aimed at stabilizing the bond market in which trading came close to a halt last week.

The three-year corporate bond yield closed the week at 10.27 per cent. This is the first time since Oct 31, 1998 that the benchmark yield has risen above 10 per cent.

Analysts attributed the rise to selling by investment trust companies and rising redemptions of short-term money market funds amid uncertain prospects for Daewoo.

Even banks have refused to buy bonds in preparation for

possible cash calls for their trust accounts.

Higher-than-expected economic growth also pushed the rates up, analysts said.

South Korea posted a faster-than-expected 9.8 per cent year-on-year rise in gross domestic product (GDP) in the April-June period, compared to a negative 7.2 per cent a year ago.

But the state-run Korea Institute of Finance warned of possible overheating, saying financial institutions had yet to recover from the Daewoo Group crisis.

The stock market also remained volatile as investment trusts sold equities. Investors worry Daewoo's crisis may be prolonged.

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