

## Thai PM says at Economic Summit in S'pore

## E Asia has no choice but to be responsive to globalisation

SINGAPORE, Oct 18: The free-market system and benefits of democracy helped to usher Asia through the devastating economic crisis that toppled one economy after another, the prime minister of Thailand said Monday as he opened an Asian economic summit here, says AP.

"Economically, we have no choice but to be more responsive to market conditions and trends, especially given today's world of rapid globalisation," Thai Prime Minister Chuan Leekpai said in his speech to the three-day East Asian Economic Summit.

"We have to ensure that our economies are competitive, with sound macro-economic policies, with professional and accountable public and private sectors, and with internationally accepted regulatory and supervisory frameworks," he said.

As the region continues to rebound from the crisis that knocked out most Asian economies in 1997, the eighth annual summit will now take a look at new growth possibilities in the region.

Chuan, Malaysia's Prime Minister Mahathir Mohamad and Singapore Prime Minister Goh Chok Tong, as well as some 700 economists and business representatives from around the world, are taking part in the conference organised by the Geneva-based World Economic Forum.

Chuan tied economic recovery to the principles of democracy and open markets.

"Democratic ideals and concepts of popular participation are closely linked with principles of competition and the free-market economy and are, as a consequence, consistent with our economic liberalisation and development plans," he said.

In a bow to neighbouring Malaysia, Chuan emphasised that every country has the right to its own formula for recovery.

"I wish to stress that there does not exist a ready, nor single formula for structural change and reform," Chuan said. "Every country has its own unique characteristics and special problems, all of which demand their own solutions and approaches."

Mahathir, scheduled to speak later in the day, has been the lone Asian advocate for capital controls. While frowned upon by Western economists, Malaysia's controversial capital controls helped to lift the Southeast Asian nation out of its first recession in a decade.

Malaysia imposed these capital controls in September 1998, restricting foreigners from repatriating their investments for at least one year and pegging the ringgit at 3.8 to the US dollar.

Among those attending the summit are Stanley Roth, US Assistant Secretary of State for

East Asian and Pacific Affairs; Australia's Foreign Minister Alexander Downer; Stanley Fischer, deputy managing director of the International Monetary Fund; and Joseph Stiglitz, vice president of the World Bank.

Lee Kuan Yew, former prime minister of Singapore and the city-state's most influential politician, was also expected to speak at the conference.

The meeting will also address the security situation in the region, particularly Indonesia, which will elect a president later this week.

Chuan Leekpai said that commercial banks need to bolster their provisioning requirements for possible bad loans.

Thailand's non-performing loan ratios are still "too high," Chuan said at a global economic conference in Singapore.

"Banks need to accelerate their provisioning requirements," he said. "This may be difficult, but it will make them strong and competitive in the long term."

As of the end of July, some 47 per cent of outstanding loans in the Thai banking system were classified as non-performing.

**IMF against discouraging long-term inflows**

Another report from Reuters says: The International Monetary

Fund warned on Monday against any measures that would discourage long-term capital inflows, despite the need to prevent wide swings in short-term fund flows.

"Until financial systems and macroeconomic policies are strong enough, price-based measures to discourage short-term capital inflows could be appropriate," IMF First Deputy Managing Director Stanley Fischer told the World Economic Forum in a speech.

"But nothing should be done to discourage longer-term inflows, especially of foreign direct investment," he said.

He said as capital flows revived, many countries faced the challenge of discouraging excessive fluctuations in short-term flows as well as ensuring economies are strong enough to withstand the fluctuations in capital flows that will inevitably occur.

Policy requirements included stronger domestic policies and financial systems, and consistency between the exchange rate and macro policies, he said.

They also included strengthened prudential regulations in both the capital-originating and the capital-receiving economies and an improved monitoring mechanism based on much better data on the nature and sources of the flows, he said.



An East Timorese peasant family carrying farm tools and a basket of harvested root crops walk uphill in the mountains Ermera Monday. Ermera's population struggles from the aftermath of militia violence, having most of the houses burned after East Timor voted for independence on 30 August 1999. — AFP photo

## Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to major currencies.					
Currency	Selling TT & OD	Selling BC	Buying T.T. Clean	Buying O.D. Sight Export Bill	Buying O.D. Transfer
US Dollar	49.7300	49.7700	49.3200	48.1570	48.0650
Pound Stg	83.2033	83.2702	81.9748	81.7038	81.5842
Deutsche Mark	28.0328	28.0553	27.0515	26.9457	26.9032
Swiss Franc	34.2069	34.2344	33.6701	33.5588	33.5087
Japanese Yen	0.4733	0.4736	0.4647	0.4632	0.4625
Dutch Guilder	24.8796	24.8996	24.0087	23.9148	23.8797
Danish Krona	7.3313	7.3372	7.1636	7.1369	7.1256
Australians \$	32.5732	32.5994	31.2835	31.1901	31.1444
Belgian Franc	1.3591	1.3602	1.3116	1.3094	1.3085
Canadian \$	33.7587	33.7859	32.8013	32.6929	32.6450
French Franc	8.3584	8.3651	8.0358	8.0342	8.0325
Hong Kong \$	8.4139	8.4190	8.3349	8.3319	8.3307
Italian Lira	0.0283	0.0283	0.0273	0.0272	0.0272
Norway Kroner	6.5189	6.5241	6.4105	6.3963	6.3900
Singapore \$	30.1066	30.1308	29.1352	29.0389	28.9963
Saudi Rial	13.2554	13.3051	13.1149	13.0716	13.0524
UAE Dirham	13.5757	13.5876	13.3905	13.3463	13.3267
Swedish Krona	6.1516	6.1565	6.0746	6.0545	6.0456
Omani Ryal	13.6897	13.7107	13.5071	13.4625	13.4428
Kuwait Dinar	170.1916	170.3285	157.9251	157.4031	157.1726
Thai Baht	1.2724	1.2734	1.2593	1.2561	1.2538
Euro	54.8273	54.8714	52.9081	52.7012	52.6240

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
49.2112	48.9000	48.4980	48.0870	47.6760	46.8540

US Dollar London Interbank Offered Rate (LIBOR)

Buying (\$)	Selling (\$)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
49.0850	49.7300	USD	5.4075	6.1975	6.1075	6.1525	6.2500
81.5842	83.2033	GBP	5.3219	5.99675	6.1225	6.28047	6.48094
Cash/TC	Cash/TC	Euro	2.7000	3.4315	3.5193	3.61375	3.74000

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.372/43.382	51.875/51.90	39.52/39.57	3.7995/3.8005	7850/7890	1203/1203.4

Amex notes on Monday's Market

The local interbank USD/BDT market was moderately active today. USD/BDT rates today ranged in the 49.48-49.50 level same as earlier.

Call money market was active today. T-bills worth Tk 1,164 billion of different maturities was accepted on Sunday, payment for which was made today. This drained out some liquidity from the call market as the maturity against this was Tk 9.23 billion in 28 days T-bills and Tk 50 million in 91 days. Average call rates ranged between 6.50-7.5 per cent today.

The dollar fell to a two-week low against the yen on Monday, briefly falling below 105 in early European trading, amid worries about declines in US stock. Friday's 2.6 per cent drop in the Dow Jones Industrial Average hit the dollar as it fuelled fears a collapse in US shares would feed through to a sell-off of the US currency. The dollar fell to 104.39 yen its lowest since October 4 and down 0.75 per cent from Asian peaks, but was back at 105.1924. Analysts said the dollar's slide against the yen was not likely to extend to much further as Japanese stocks were also falling and the could dent bullish sentiment on the yen. The Nikkei was down 1.85 per cent on Monday. The euro was at \$1.0876/80 from Friday's near-seven-month peak of \$1.0911.

Sterling maintained an upper hand against a broadly weak dollar on Monday amid mounting concern that creeping inflationary pressure in the United States could further damage the already battered US stock market. Although sterling held below Friday's 1999 peak of \$1.6725, Friday's 2.59 per cent drop in the Dow Jones Industrial Average kept the market cautious about an across-the-board dollar sell-off.

At around 0944 GMT the exchange rates of major currencies against USD were GBP/USD 1.6696/6701, USD/CHF 1.4594/4604, USD/JPY 105.12/105.17, EUR/USD 1.0876/0881.

## Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 18.10.1999

Berth No.	Name of vessels	Cargo	Last Port call	Local agent	Date of arrival	Leaving
J/1	Pacific Eagle	GI	Sing	Everett	11/10	18/10
J/2	Leona	GI	Osaka	Prog	8/10	22/10
J/3	Mira	Wheat(p)	Aust	MSA	2/10	25/10
J/4	Panglima	GI(Bittumen)	B. Abb	MSA	19/09	24/10
J/6	Thor Star	Wheat(p)	S. Daya	Angelic	26/09	20/10
J/7	Xiang Cheng	GI	Zing	BdShip	6/10	20/10
J/8	Banglar Urmi	Wheat(G)	-	BSC	R/A	23/10
J/9	Elizabeth	R Seed	Hamb	Rainbow	10/10	21/10
J/10	Thrident	GI(Peas)	P. Said	MSA	23/09	23/10
J/11	Jurong Balsam	Cont	Sing	Nol	17/10	21/10
J/12	Kota Naga	Cont	Sing	Pil(BD)	16/10	19/10
J/13	Delos-1	Wheat(G)	R. Dia	LAMS	4/10	19/10
CCT/1	Eliza	Cont	Mong	Baridhi	15/10	19/10
CCT/2	Banglar Shika (Flag)	Cont	Sing	BSC	18/10	20/10
CCT/3	QC Pintail	Cont	Sing	QC SL	16/10	19/10
RM/14	Ocean Pride	C Clin	Lumet	Apex	30/09	22/10
CCJ	Ken Koku	C Clin	Pak	Delmure	29/09	23/10
CSJ	Santa Rosa	Wheat(G)	Rouen	Ancient	3/10	20/10
TSP	Bold Alliance	Cement	Tanj	Uniship	4/10	23/10
DOJ	Banglar Shourab	C Oil	-	BSC	R/A	19/10
DDJ/1	Bunga Birol	Repair	Tuti	BSL	6/10	22/10
RM/8	Banglar Mookh	Repair	Sing	BdShip	13/09	19/10
RM/9	Phaethon	Repair	Durb	OWSL	10/06	22/10
SM-10	Tug Macarex	Empty	Chand	Karna	R/A	-
	Dredger: Wombat	Empty	Chand	Karna	R/A	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	Last Port call	Local agent	Cargo	Loading port
Coastal Manatee	18/10	Houst	LAMS	Wheat(G)	L/Sing
Ultima (Cont) 17/10	18/10	Sing	QC SL	Cont	-
Orient Noble	19/10	Houst	SSST	Wheat(G)	-
Aradia	18/10	Mong	LAMS	P/Lighter of	C Muna
NEB Devi Mathia	19/10	-	BRA	-	-
MFB Sona	19/10	-	BRA	-	-
MPB Lakshmi	19/10	-	BRA	For Survey	Purpose
San Pablo (Roro) 24/4/10	19/10	P Kel	JF	Vchi	-
Broad Gate	22/10	Houst	LAMS	Wheat(G)	-
Mary Nour	20/10	-	BSC	Cement(Culff)	-
Bunga Mas Lapan (Cont)	20/10	P Kel	EOSL	Cont	L/Sing
(Cont) 10/10	20/10	Viza	RSL	Cont	L/Sing
Bhavabhuti (48/7/10)	28/10	-	SSLL	GI	-
Pacdream	31/10	Tampa/Litmond	Dap in Bulk	-	-
Mehmet Emin	20/10	Pan Angelic	C Yellow	Maize	-
Jaya Mars (Cont) 11/10	21/10	Col Baridhi	Cont	L/Col	-
Kota Cahaya (Cont) 10/10	20/10	Sing Pil(BD)	Cont	L/Sing	-
Tiger River (Cont) 12/10	21/10	Sing	Nol	Cont	L/Sing
Liberty Spirit	21/10	Houst	Lams	Wheat(G)	-
QC Mallard (Cont) 12/10	22/10	P Kel	QC SL	Cont	L/Sing
Proteus	22/10	Ilyic Litmond	Fert	-	-
Bright Vega	23/10	P Kel	BRA	Vehi	-
(Roro) 24/5/10	23/10	-	BRA	-	-
Achiewer (Cont) 17/10	23/10	-	RSL	Cont	L/Sing
Yong Jiang	24/10	S. hai	BdShip	GI	-
Areti	24/10	Mumb	UMTL	GI(St. Coll)	-
Eriman Thia	24/10	-	Prog	GI	-
Tiger Hope (48)	24/10	Kao	Prog	GI (S Coll)	-
Hickory	30/10	-	Karna	Lash	-
Banglar Robi (Cont) 17/10	25/10	Sing	BSC	Cont	L/Sing
Xpress resolve (Cont) 17/10	25/10	-	RSL	Cont	L/Sing
Dafa (Cont) 17/10	25/10	-	RSL	Cont	L/Sing
Brisa Azul	26/10	-	Everett	GI	-
Vega SS	27/10	Sheko/Litmond	MOP(Baggd)	-	-
Kota Berjaya (Cont) 17/10	27/10	-	Pil(BD)	Cont	L/Sing
Confidence (Cont) 27/10	28/10	-	RSL	Cont	L/Sing
Banga Birol (Cont) 17/10	28/10	-	BdShip	Cont	L/Sing
Banglar Moni (Cont) 17/10	31/10	-	BSC	Cont	L/Sing
Martina	28/10	Mong	Smal	(W/LD fert)	-

Tanker due

Koo Yong	19/10	Sing	ECSL
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Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
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Energy Explorer-IV	-	-	BBAL	(5/4 at 1700 Hrs)
Imaya	-	-	BBAL	(17/8 at 1030 Hrs)
De Champion	-	-	BBAL	(6/10 at 1745 Hrs)
Seabulk Eagle	-	-	IBS	(R/A 5/10)
Seabulk Command	-	-	IBS	(R/A 7/10)
Mearks Arizona	Wheat(G)	Houst	Lams	(16/10 at 1200 hrs)
Ken Zui	Wheat(G)	Mong	Lams	(R/A 15/10 at 1410 hrs)
Spiros	C oil	-	BSL	(16/10 at 1600 hrs)
Banglar Jyoti	C Oil	-	BSC	(R/A 18/10)

Vessels at outer anchorage

Med Riva	DPRS	Rouen	Seaglor	8/1
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Petchgrad

C Clin	Pada	MBL	17/10
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Movement of vessels for 19.10.1999

Outgoing	Incoming	Shifting
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J/12 K Naga	B Bonanza	-
J/13 Delos-1	E Ampley	J/5
CCT/1 Eliza	Unity	J/13
CCT/3 QC Pintail	P Rada	J/1
DOS B Shourab	Ultima	CCT/3
	Martima	CCT/3
	B Jyoti	Dos
	B Moya	RM/5

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



Malaysian Prime Minister Mahathir Mohamad (L) talks to Klaus Schwab (R), founder and President of World Economic Forum during the East Asia Economic Summit in Singapore Monday. Mahathir proposed an exclusive East Asian forum to discuss monetary cooperation and problems in the region on a daily basis. — AFP photo

## Capital controls defended

## Mahathir attacks Western currency traders again

SINGAPORE, Oct 18: Malaysian leader Mahathir Mohamad spiced up an economic summit Monday by issuing one of his trademark attacks on Western currency traders and financial institutions, proclaiming that his Southeast Asian nation had survived the economic crisis by following the "Sinatra principle", reports AP.

In an impassioned and humorous speech that defended his country's controversial capital controls, Mahathir chastised those naysayers who predicted his economic philosophy would bring down the country if Kuala Lumpur didn't accept financial aid and the policies of the International Monetary Fund.

"We have achieved whatever we have achieved according to the Sinatra Principle. We have all down it our own way," Prime Minister Mahathir said to the laughter and applause of some

700 top economics and businessmen attending the East Asia Economic Summit.

While other Asian countries, such as Thailand, South Korea and Indonesia, accepted IMF bailout packages as they were sinking, Malaysia refused to join the bandwagon and instead imposed capital controls, low interest rates and hiked government spending to revive its ailing public works projects.

"This was because, despite bouts of insanity, infatuation and delirium into the blind alley of ideological dogmatism, we placed the very highest emphasis in the final analysis on pragmatism — on doing what works. Not on doing what is fashionable," Mahathir said.

Malaysia imposed the capital controls in September 1998, restricting foreigners from repatriating their investments for at least one year and pegging the ringgit at 3.8 to the US dollar. The restrictions have since

been eased and the country has posted its first quarter of growth.

"Do not assume that we in Asia are always stupid," said Mahathir, prime minister for 18 years and Asia's longest-serving leader. "I must admit that many of us are indeed stupid, incredibly stupid sometimes. If I were to list all the stupid things I have done — it would take all day."

Stanley Fischer, first deputy managing director of the IMF, said it was difficult to assess the effects of Malaysia's capital controls since they were imposed at a time that money began flowing back into the region.

"I believe that the controls introduced a year ago are not a good way to operate in the international financial system, particularly for a country anxious to attract foreign investors," Fischer concluded in his speech to the summit.

## Philippines foreign debt falls

MANILA, Oct 18: The Philippines foreign debt fell 1 per cent to \$ 48.12 billion as of the end of June from \$ 48.63 billion at the end of the March, according to central bank data released over the weekend, says AP.

Short-term debt, that with one-year maturities, accounted for 13.58 per cent of the debt load as of the end of June, down from 13.95 per cent at the end of March.

The remainder consisted of medium- and long-term debt.

The public sector accounted for more than 63 per cent of the total foreign debt as of the end of June, with non-bank borrowers, including the national government, accounting for 52 per cent.