



Instalment Facility Available

DHAKA, TUESDAY, OCTOBER 26, 1999

July-August
imports up
by 3.38pc

Import letters of credit worth about Tk 5882 crore or 1194.79 million US dollars were opened by authorised dealer banks during the first two months of the current fiscal year, showing an 8.20 per cent rise in imports in terms of Taka over the same period last year, reports UNB.

The increase — 3.38 per cent in terms of US dollar — was attributed to rise in opening of LCs for import of intermediary goods, industrial raw materials, petroleum and petroleum products, capital machinery and machinery for miscellaneous industries, according to Bangladesh Bank.

LCs worth Tk 66.61 crore were opened for rice import during the first two months of the current fiscal. Tk 165.67 crore for wheat, Tk 131.11 crore for pulses, Tk 57.17 crore for milk foods and Tk 133.20 crore for edible oil.

LCs opened for import of raw cotton and synthetic fibre worth Tk 227.39 crore, yarn Tk 115.16 crore and textile fabrics and accessories for garments Tk 1568.71 crore, chemicals and chemical products Tk 504.16 crore including Tk 176.62 crore for fertilisers.

Import LCs worth Tk 31.43 crore were opened for cement, Tk 57.55 crore for clinker and limestone, Tk 188.60 crore for CI sheets, BP sheets, GP sheets and tin plates.

The central bank said LCs for machinery were worth Tk 344.89 crore, scrap vessels Tk 123.74 crore and motor vehicles Tk 71.44 crore.

PAL readmitted to IATA after debt settlement

MANILA, Oct 25: Philippine Airlines said Monday it has been readmitted to the International Air Transport Association after settling its debts with the airline industry body, reports AP.

PAL was suspended from the IATA's clearing house in September 1998 after it failed to pay debts of \$32 million to other airlines. At that time, debt-laden PAL was on the brink of bankruptcy and struggling to get its creditors owed \$2.2 billion to accept a recovery plan.

PAL's suspension from the IATA was a serious blow to the ailing carrier because it effectively severed its links with the association's 198 member airlines. Passengers with PAL tickets were unable to transfer to other airlines.

Passengers travelling from Manila to New York, for example, had to purchase separate tickets on PAL and a second airline and manually recheck their baggage since PAL does not fly beyond the US West Coast.

"PAL has now returned to the fold of the international aviation community," PAL president Avalino Zapanta said in a statement. "This is a major step in our inexorable march to full recovery."

PAL said its debts to IATA airlines were settled earlier this month. The terms for PAL's reinstatement also included a \$12 million security deposit, which is repayable after a year if the airline meets all its IATA debt payments, or six months if it is a net creditor under the association's clearing system over that period. The move was approved under PAL's rehabilitation plan.

Hewlett-Packard strong in Asia as crisis recedes

SINGAPORE, Oct 25: US computer giant Hewlett-Packard has performed strongly in Asia this year as the region shakes off its two-year economic crisis, top company executives said Monday, reports AP.

"We have not only benefited from the economic upturn in the region, but in many cases we are growing more quickly than some of our competitors and taking market share," HP President Carleton Florina told reporters.

Florina declined to give more details about the company's performance, saying that its reports are due out when its fiscal year closes at the end of this month.

Asia was hit with a financial meltdown in 1997 that soured many of the region's strongest, fastest-growing economies. But there are strong signs that the region is in recovery.

Company officials said HP is in a good position to take advantage of the area's comeback because it took "less Draconian actions" in layoffs and cutting facilities during the crisis than some of its competitors.

"We've been more careful about keeping investments in place that are needed to capitalise on recovery," said HP chairman of the board Lewis Platt.

Analysts agreed that HP faces good prospects in the region. There has been a resurge in demand for the high-end products the company deals in, such as computer equipment, said Loh Soon Sin, head of research at UOB Research in Singapore.

Involvement in illegal money transfers through hundi

BB sends warnings to five private banks

By Inam Ahmed

Bangladesh Bank (BB) has sent warning letters to five private commercial banks for their involvement in illegal money transfers through hundi and said that they would face cancellation of branch licences if they further indulge in such activities in the future.

Acting upon a tip-off, the BB launched an investigation and found evidences of hundi activities by two banks — one of them a newcomer and the other now in trouble due to insider brawls.

Later, the BB received further evidences of involvement of more banks and carried out a thorough investigation of all banks.

In the second bout of the probe, it was found that five banks are involved in illegal money transferring activities. These also include the one which had floated shares recently.

According to the BB findings, these banks were doing hundi business through their branches in Sylhet, Sylhet and Chittagong. They usually transferred money to and from Singapore, London, India and Pakistan.

According to sources, hundi with Singapore and India were mainly used to settle smuggling payments.

"They were even involved in capital flights from the country, which is a serious crime," said a source. "Our action should have been even harsher, but we are just giving them warnings because this is the first time we have come to know about the affair."

It is for the first time in



Bangladesh Bank Governor Dr Farashuddin inaugurates the principal branch of newly-launched Mutual Trust Bank in the city on Sunday. Seen on his right is Chairman of the bank Syed Manzur Elahi and on left Director Syed Abul Hossain. Executive Vice President — Mutual Trust Bank photo

Japan's trade surplus slumps 13.6 pc on strong yen

TOKYO, Oct 25: Japan's trade surplus slumped 13.6 per cent in the six months to September as the rising yen cut into the value of exports, the government said today, reports AFP.

The surplus dropped to 6,394.3 billion yen (61 billion dollars), the finance minister said.

"Given the fact that crude oil prices remain high and the yen keeps on appreciating... Japan's trade surplus is likely to continue to shrink for the time being," a finance ministry official said.

Japan's surplus would fall further in the months ahead as exports are hurt by an expected slowdown in the US economy, the analysts said.

Overall, it was the first contraction in Japan's half-year trade surplus since the six months to March 1997, the finance ministry said.

"It will be some time before the Asian economy recovers fully to offset the decline (in exports) to be caused by the US economic slowdown," she said.

Japan's six-month trade surplus with Asia fell 6.3 per cent to 1,966.5 billion yen. Exports to the region edged up 0.4 per cent to 8,987.9 billion yen as imports grew 2.5 per cent to 7,021.4 billion yen.

In the month of September alone, Japan's overall trade surplus dropped 9.7 per cent year-on-year to 1,391.6 billion yen, the highest level in 12 years.

Exports to the United States fell 6.1 per cent to 7,857.5 billion yen, and imports slumped 17.8 per cent to 4,158.3 billion yen.

Meanwhile, Japan's surplus with the European Union plunged 21.3 per cent to 1,728.4 billion yen with exports falling 13.1 per cent to 4,124.4 billion yen and imports dropping 6.0 per cent to 2,396.0 billion yen.

The stronger yen is behind the trend as exports in terms of

volume started rising since June," Sakura Institute of Research analyst Naoko Ogata told AFP. Imports were also rising in volume terms, he added.

"Overall, it was the first contraction in Japan's half-year trade surplus since the six months to March 1997, the finance ministry said.

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