

Star BUSINESS

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MODERNISATION OF RAILWAY

Govt to get \$40m credit from World Bank

UNB, Dhaka

As part of an investment scheme of up to US\$ 700-800 million supported by several donors, the government and the World Bank on Thursday successfully completed negotiations for a US\$40 million credit for Bangladesh Railway.

The credit is designed to support the government's plans to transform Bangladesh Railway into a well-managed and customer-focused organisation.

This is the World Bank's first major development policy credit support in the railway sector in Bangladesh. Development policy credits have short-term focus (one to three years) and can provide quick-disbursing external financing to support policy and institutional reforms.

The World Bank's credit of US\$ 40 million, which would be consid-

ered by the World Bank Board on October 19, is scheduled to be followed by another development policy credit of US\$ 60 million for the Railway Reform Programme in 2009, said a World Bank release Friday.

The World Bank also envisages an additional US\$ 200 million to support another government initiative that aims to improve infrastructure and network expansion of railways in 2009.

The government's National Strategy for Accelerated Poverty Reduction notes that the railway system could be improved to better meet the transport needs of Bangladesh's growing economy. In close coordination with the World Bank, ADB and the Japan Bank for International Cooperation (JBIC) have also joined in a multi-year, multi-donor partnership with the government.

World Bank Country Director Christine Wallich said: "The donor-supported investment programme is based on government's own medium-term transport sector investment programme. It will support reforms to improve Bangladesh Railway's organisational structure and management practices, along with a revamped policy environment for railways."

The railway sector reforms programme will help restructure Bangladesh Railway so that it can improve its commercial and customer focus.

A corporatised Bangladesh Railway would operate like a line of business organisation, while remaining fully government-owned.

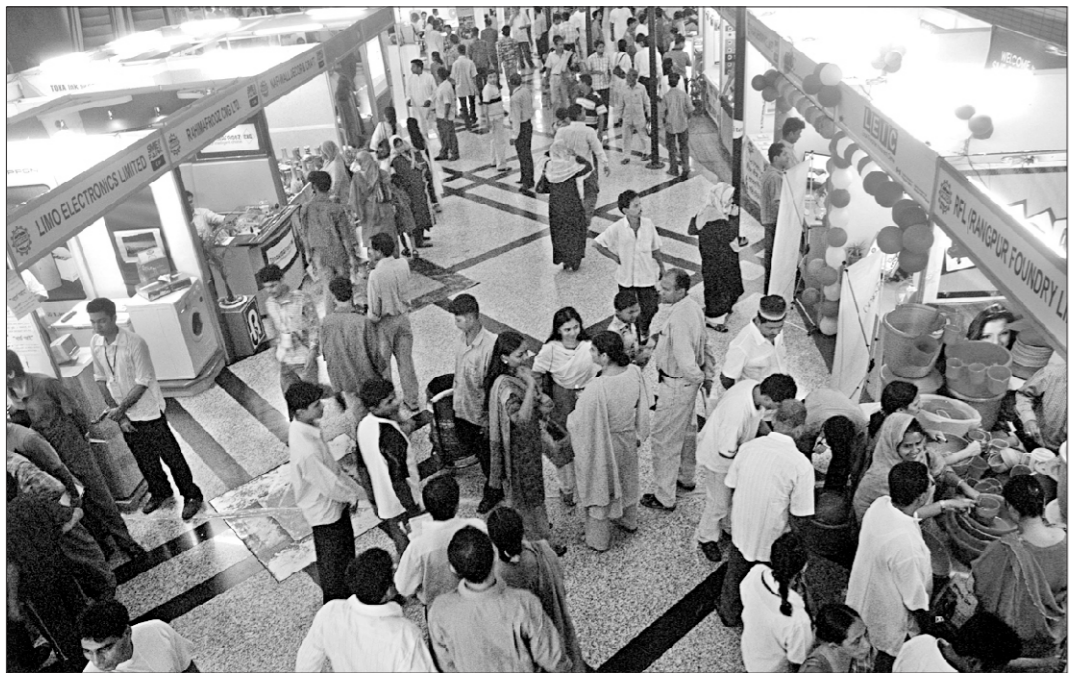


PHOTO: STAR

Visitors throng the venue of the week-long 'SME Fair 2006' at Bangladesh-China Friendship Conference Centre in Dhaka yesterday. The show comes to a close tomorrow.

Dell to set up computer plant in India

PALLAB BHATTACHARYA, New Delhi

US computer giant Dell has announced its plans to set up its first production unit in India for making desktop computers as it seeks to push up sales in the fast-growing market.

Dell has committed to invest 60 million dollars over a ten-year period and the production at the new unit, to be located in a special economic zone in the southern state of Tamil Nadu, is expected to commence in 2007, the American company said in a statement on Thursday.

Desktop computers account for nearly 70 per cent of Dell's current business in India, the company's vice president for South Asia Paul-Henri Ferrand said.

"This operation in a region increasingly known for its advanced electronics hub will give us broader access to India's dollar and rupee-based information technology markets," said Dell India's vice president Rajan Anandan.

The company signed an agreement with Tamil Nadu government on Thursday to set up the plant, which will employ 1000 people to begin with, and this will be Dell's third manufacturing facility in Asia after China and Malaysia.

Kip Thompson, vice president of Dell's global facilities, said the Indian plant would initially cater to domestic market and prices would be cost effective compared to other branded computers in Indian market.

AKTEL offers new pre-paid package

Mobile phone operator AKTEL yesterday launched a new pre-paid package styled 'AKTEL Furty' that offers subscribers 10 per cent bonus talk time of the total received calls in a month.

Customers will be able to call to any AKTEL number with this bonus talk time, says a press release.

Besides, users can call to any cellphone number at a flat rate of Tk 2.4/minute round the clock while every new connection will get Tk 20 free talk time on activation and the connection will be active for one whole year.

S Rajaduray, CFO, and Asif Iqbal, head of Marketing of AKTEL, among others, were present at the launching ceremony in Dhaka.



PHOTO: G3 COMMUNICATION

Senior officials of AKTEL, among others, pose for photographs at the launching ceremony of a new package of the mobile phone operator styled 'AKTEL Furty' in Dhaka yesterday.

Greater say of the poor unlikely in IMF now

UNB, Singapore

The poor countries like Bangladesh are unlikely to have greater voice in the International Monetary Fund in near future, as IMF will ask its members only to commit to work on a broader reform of the quota distribution process within the next two years.

The multilateral lending agency, on the other hand, is going to ask the members to approve an increased quota for four countries -- China, Korea, Mexico and Turkey -- at the World Bank and IMF joint annual meetings here September 19-20.

IMF Managing Director Rodrigo Rato, however, termed the four countries likely to have enhanced voice in the IMF 'very under-represented' countries considering their weight in the global economy.

"We'll ask our members to support proposals to enhance the voice of low income countries through an increase in the 'basic-votes' that are allocated to all members regardless of size," he told a press briefing at Suntec Singapore yesterday.

Less than two-weeks ago, the IMF Executive Board reached the agreement on a package of reforms which would bring about a change in the governance structure, amid widespread criticism by the member states that their voice remain marginalised in the IMF.

"We will be marginalised further under the reform proposal," a senior official in Dhaka told the

news agency over the reform proposals in the governance structure of the IMF. He expressed the frustration that "we'll have to cope up with the reform pressures unless we can raise our voice."

Rato, however, stated at the briefing that "this (the reform) will involve a new formula designed to capture member countries' weight in the global economy in a simpler and transparent manner, and further quota increase for a broader range of members based on the new formula."

Replying to a question, he said there was very clear majority at the board in favour of endorsing the resolution. Otherwise, it would not have been brought to the meeting. However, he could not say anything until the countries have expressed their votes.

"We're in the middle of the countries expressing their votes. We'll have to wait and respect that period," the IMF managing director added.

On the modalities of reforms, he said once a yardstick is set backed by group of countries that are represented at the Fund by 184 countries, IMF would move into a second ad hoc increase. And that would be in response to which countries are more underrepresented by the new formula.

Other than the quota reform, Rato expected that the annual meetings would also draw consul-

tations on a shared analysis of the nature and consequences of global imbalances, a common understanding on policies designed to make things happen in several countries together and understanding on the role the Fund could play as a forum for implementing the common approach.

"We look forward to a deep and thorough discussion of these issues this weekend."

He indicated the IMF would focus surveillance more sharply across the countries and topics, and would seek a richer engagement with members.

The IMF will have discussion on a new instrument to provide liquidity for the emerging market countries that have strong fundamentals but remained vulnerable to shocks.

"The aim would be to provide assurance that substantial financing will be available in the time of need, a framework for policy commitment and monitoring, and a signal to markets," Rato said.

He expected that the IMF would work on the issues to make concrete progress before the next spring meetings.

The IMF managing director said the annual meetings would also discuss on the multilateral debt relief initiative, wiping out the debt owed to IMF by some of the world's poorest countries to help them meet the Millennium Development Goals (MDGs).

S'pore to admit activists for IMF-WB meet

AFP, Singapore

Singapore on Friday backed down on its reluctance to admit some activists accredited for World Bank and International Monetary Fund meetings, saying 22 of the 27 would now be allowed entry.

"The S2006 organizing committee has decided to allow the entry of 22 of the 27 CSO (Civil Society Organisations) representatives," a statement from the Singaporean organizers of the event said.

It said the decision followed input from the IMF and Bank earlier Friday.

"The S2006 organizing committee has conveyed its decision to the IMF/WB this evening," the statement said.

"The Committee has also informed the IMF/WB that if the remaining five CSO representatives were to attempt to enter Singapore, they will be subject to interview and may not be allowed in."

Singapore's decision came after World Bank President Paul Wolfowitz earlier Friday said the issue had damaged Singapore's reputation.

The city-state had said there were security concerns about 27 of the hundreds of activists which the Bank and Fund had accredited as part of a long-standing dialogue between the financial institutions and their critics.

Wolfowitz and IMF managing director Rodrigo Rato raised the issue in a meeting with Singaporean Prime Minister Lee Hsien Loong Thursday night.

Over 160 NGOs boycott IMF-WB meetings

AFP, Batam, Indonesia

More than 160 non-governmental groups on Friday declared a boycott of IMF and World Bank meetings in Singapore to protest against a clampdown on free speech and the banning of activists.

"In solidarity with those denied entry into Singapore and denied the exercise of their fundamental rights to freedom of expression and association, we will stay away from all meetings and seminars at the World Bank and IMF 2006 annual meetings in Singapore," the 164 organisations said in a statement.

"We call on all social movements, civil society organisations and networks and individuals to uphold the rights of peoples to freedom of expression and association, and to honour this boycott by staying away from the official meetings in Singapore."

The statement was issued on the sidelines of an International People's Forum Against the IMF and World Bank where about 500 people gathered Friday on the Indonesian island of Batam, about an hour by boat from Singapore.

Activists staged the forum on Batam after the Singapore government refused to waive a long-standing ban on outdoor protests for accredited groups during the September 19-20 International Monetary Fund and World Bank



PHOTO: AFP

Campaigners wearing masks reading 'No Voice' stand yesterday inside a designated protest area of the International Monetary Fund and World Bank annual meeting venue in Singapore. The protesters staged the demonstration to point out that poor countries have no voice in the WB and IMF.

meetings.

"In order to stifle dissent and any possible protests at the IMF-World Bank Annual Meetings, the Singapore government has resorted to draconian security measures," the statement said.

Singapore police said they have taken the tough security measures because the country, Southeast Asia's most advanced economy, is a high-profile "terrorist" target and any public protests would compromise preparations.

However, Singapore has agreed to reassess whether 27 activists accredited for the World Bank and IMF meetings should be admitted, World Bank president Paul Wolfowitz said.

But he said Singapore had inflicted "enormous damage" to its own reputation because of its reluctance to admit 27 activists accredited for the World Bank and International Monetary Fund meetings.