

Rao firm to press on with economic liberalisation

NEW DELHI, Sept 29: India is determined to press on with economic liberalisation and dismantle decades-old socialist controls, Prime Minister PV Narasimha Rao said yesterday, reports Reuters.

Speaking to Indian industrial leaders in New Delhi, Rao said a current slackening in the pace of reforms was temporary and would help consolidate gains with the short-term target of stabilising the economy.

India embarked on radical market-oriented reforms to its state-dominated economy two years ago in the midst of a major financial crisis, including a possible default on its overseas borrowings.

"This process of reforms certainly needs to be accelerated but it should not be jumped over," Rao told the annual general meeting of the Federation of Indian Chambers of Commerce and Industry (FICCI).

"The difficult phase lies ahead. There is a long way to go

and the journey will be difficult and hard."

Rao did not specify what this "difficult phase" would mean. But bankers expect sterner measures aimed at capping the rising budgetary deficit and controlling inflation which has risen to 7.3 per cent from 5.4 per cent in July this year.

The Prime Minister said that although it might be beneficial to liberalise credit and interest rates, such policies could push up inflation.

Rao said the government was considering changes to company and foreign exchange legislation as part of further reforms.

India achieved a stable exchange rate after floating the rupee in March this year and saw its foreign exchange reserves rise to 7.3 billion US dollar from around 6.0 billion US dollar last year as a result of the reforms.

Direct foreign investments over the last two years totalled 700 million US dollar and pro-

posals have been cleared for a total of 3.5 billion US dollar.

Indian stock exchanges have seen investments exceeding 300 million US dollar since foreign investors were permitted to buy shares in Indian companies a year ago.

But opposition to the reform programme is growing from within. Industrialists have joined the chorus of protest which saw initial murmurs from employees of state-run companies.

At a meeting in Bombay last week, a group of industrialists agreed to voice concern to the government over the reforms, which they felt were eating into their profits.

Unions of bank employees have gone on strike at least twice in the last four months and have threatened to do so again in the first week of October.

Their main complaints is over the denationalisation of the banking sector, through which the government aims to make

banks healthier, efficient and more accountable. The main casualty would be jobs, unions say.

Though Prime Minister Rao had promised strong measures, bankers say it will not be easy going.

Commerce Minister Pranab Mukherjee cautioned yesterday that the reform process could face a setback if political confrontation continued.

"It becomes very difficult for the government to take strong measures if it faces a no-confidence motion in every other session of parliament," Mukherjee said.

Rao's government narrowly survived a no-confidence motion in July and is surviving on a thin majority with the support of "friendly members" of the opposition in parliament.

With two more years until the next general elections, it remains to be seen whether Rao will be able to push through all its reforms before then.

'Sting' operation may cost IBM millions of dollar

WASHINGTON, Sept 29: International Business Machines Corp. and the FBI since 1991 have been conducting a "sting" operation intended to uncover theft and fraud that may have cost the financially ailing computer company hundreds of millions of dollars, a newspaper reported, reports AP.

In a story in Wednesday editions, The Washington Post said a computer parts trader named John Patterson in Lexington, Ky. was used to buy and sell IBM parts: an equipment in transactions that were captured on audio and video tape.

Patterson, who is receiving immunity from prosecution for his own dealings in the computer market, told the newspaper that before the sting began, he once paid about 10 cent apiece for 6,000 printer components in their original boxes that he later resold for six dollar to 20 dollar each.

In one sting, Patterson said, IBM provided him with approximately 3,600 circuit boards that he sold for 85 dollar to 400 dollar. Dishonest computer repair companies to which he sold the boards in many cases returned them to an IBM facility in Boulder, Colo. with fraudulent warranty claims. In doing so, they could receive replacement boards worth 1,000 dollar or more, he said.

FBI spokesman Michael Kortan said late Tuesday that the bureau was investigating violations of federal law in connection with IBM, but he would not confirm any details of the case.

US economy now at low plateau

WASHINGTON, Sept 29: The US economy is growing slightly faster now than it did during the first six months of the year, most economists agree. But some say it's not going to get much better for a while, reports AP.

"Our view of the economy is real flat," said Kermit Baker of Cahners Economics, a Newton, Mass. forecasting service. "The crest of the business cycle is a plateau, and a fairly low plateau."

Many analysts predict economy will expand at an annual rate of between 2.5 per cent and three per cent from July through September, compared with just 1.3 per cent from January through June.

The government was providing its final look at the economy in the second quarter today with release of its report on the gross domestic product, the total output of goods and services produced in the United States.

In advanced of the report, many analysts forecast the April-June GDP would be up 1.8 per cent at an annual rate, unchanged from the first revision of second-quarter growth last month.

The Commerce Department originally pegged second-quarter growth at a 1.6 per cent rate, following a meager 0.8 per cent advance during the first three months of the year.

The GDP rose 2.6 per cent in 1992 after falling 0.7 per cent in 1991, when the recession ended. That had been the first decline since the economy fell 2.2 per cent in 1982, the final year of the previous recession.

Belgium tightens employment legislation

BRUSSELS, Sept 29: Belgium's Employment Ministry said on Tuesday it had tightened up employment legislation for political refugees to stem the flow of people coming to Belgium for work, reports Reuters.

Employment Minister Miet Smet said in a statement that from October 1, provisional work permits would only be given to political refugees whose demand for asylum has already been accepted as valid.

The new legislation followed a recent influx of Sikhs to the eastern Belgian town of Sint Pruden where they were employed as part-time fruit-pickers.

Iran seeks more trade with India

BOMBAY, Sept 29: Iran seeks more trade with India, and feels New Delhi's economic liberalisation has boosted the prospects of liberal economic ties, an Iranian minister said yesterday, reports AFP.

Iran could be a vast market for Indian goods if "they are of best quality and are available at competitive prices," Minister of Cooperation Ghulam Reza Shafiei said here.

Shafiei, who is heading a 11-member business delegation, told members of the Indian Merchants Chamber (IMC) that New Delhi and Tehran could embark on a new era of economic and trade ties.

India exports to and imports from Iran totalled 73 million dollar and 320 million dollar respectively in fiscal 1992-93, ending March.



Outgoing US Ambassador William B. Milam speaking at the monthly meeting of the American Bangladesh Economic Forum (ABEF) at Dhaka Sheraton yesterday. Persons sitting from right are: A Gafur, Executive Secretary — ABEF, Aftabul Islam, Executive Director — ABEF, and Forrest E Cookson, President — ABEF and James Nach, Deputy Chief of US Mission in Bangladesh. — Star photo

ASEAN to jump-start scheme to form free trade area

SINGAPORE, Sept 29: Ministers of South East Asian nations will try to jump-start a scheme to form a free trade area when they meet in Singapore next week, the Director-General of Singapore's trade development board said on Tuesday, reports Reuters.

Ridwan Dzafir told reporters that senior economic officials of the six members of the Association of South East Asian Nations would try to hammer out differences, preventing progress on setting up a duty-free zone.

"We will discuss accelerated tariff reductions as well as normal tariff reductions," said Ridwan, who will head the Singapore delegation in the working-level meeting.

ASEAN economic ministers are due to meet on October 7-8. Ridwan acknowledged critics by economic analysts that ASEAN had failed to launch a tariff-reduction device to hasten

the creation of the ASEAN free Trade Area (AFTA) within 15 years.

ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, is setting up AFTA as the region's insurance against trade blocs in North America and Europe.

The heads of ASEAN governments last year agreed to cut tariffs systematically through a device called the Common Effective Preferential Tariff (CEPT) beginning this year to establish a common market among ASEAN members by 2008.

"But there was some delay so we are hoping that all members could start up as early as possible," Ridwan said.

"If possible by January 1, 1994, there should be some tariff reduction on this CEPT scheme." Some members have said they want to wait until 1995 or 1996.

Economists have said South

East Asian nations will have to speed up forming a common market to win back foreign investment being diverted to China, Vietnam and other newly emerging economies.

"AFTA will represent a more attractive and larger market, which is critical given that foreign investment inflows into South East Asia have been dwindling recently, an economist at a US brokerage house said.

ASEAN officials said although all member countries have repeatedly voiced commitment to CEPT, all but Singapore have presented lists for exclusions, which totalled more than 10 per cent of targeted products.

CEPT requires reductions of tariffs to from 0-5 per cent within seven to 10 years for fast track product groups and by the year 2008 for manufactured goods and processed agricultural products.

Jakarta has listed 1,700

products for temporary exclusion from the tariff cuts, the Philippines 1,199, Malaysia 648, Brunei 166 and Thailand 118, according to ASEAN officials.

Indian truckers call off strike

NEW DELHI, Sept 29: India's long-haul truckers called off their 13-day strike on Tuesday after the government hinted that higher licence fees — their main grievance — would be cut, reports Reuters.

Based on assurances given by the central government and state governments we are hereby calling off the strike," AU Sheriff, President of the All-India Motor Transport Congress (AIMTC), told reporters at a joint news conference with surface Transport Minister Jagdish Tytler.

AIMTC officials said the halt in the strike, which has led to one death and hit Indian industry and exports, was immediate and unconditional.

A government statement said Tytler had called a special meeting of the Transport Development Council (TDC), a decision-making body comprising transport ministers from India's 25 states, on October 1.

It said the TDC would reconsider a steep hike in national licence fees this month from 1,500 rupee (nearly 50 dollar) to 5,000 rupee (160 dollar), payable in each state where a trucker operates.

The statement said the decision on whether to cut the licence fee would rest entirely with the TDC.



US Trade Representative Mickey Kantor (R) speaks to the press as chief trade negotiator for the 12-nation European Community, Sir Leon Brittan (L) looks on after meetings on Monday. The US and European negotiators reported no progress in efforts to resolve a contentious dispute over reductions in farm subsidies. — AFP photo



An Afghan boy looks after his family crop of opium in the Warduj valley, Badakhshan province of Afghanistan on September 23. Families in this area have no other means of survival than producing opium. According to the United Nations International Drug Control Programme (UNDCP), Afghanistan is the largest illicit producer of opium in the world. — AFP photo

Strike threatens Italian economy

ROME, Sept 29: Summer's over and the strike season is at hand, reports AP.

Journalists plan their second strike in a week and doctors and factory managers threaten walkouts to protest a government debt-fighting plan to impose union pension money.

A host of other unions upset by Premier Carlo Ciampi's austerity policies also are planning job actions that will affect air travel, rail lines and schools.

The broad-based backlash illustrates the growing antagonism between labour and Ciampi, who favours sale of state companies while trying to lower Italy's debt through new taxes and fees.

Ciampi also has angered union bosses by trying to rein in their clout as behind-the-scenes political powerbrokers.

He pledges to remain in office until election reforms and a new budget are in place. But pressure from labour leaders — and the reform-seeking North-

ern League — could embolden Ciampi's other opponents.

Meanwhile, the list of strikes grows daily.

Last week, all the newspapers except for the Communist-backed paper Il Manifesto did not publish Saturday editions to protest the government plan to take 25 per cent of union pension funds during a five-year period. Television news was aired in abbreviated segments without video or graphics.

A similar strike is planned for Wednesday. Broadcast journalists plan to strike Thursday.

The National Press Federation denounced the government's "strict silence" about the plans for the pension money. Officials have so far not indicated when they will take the funds and what interest rate they will pay.

The order also affects other professional unions including pharmacist, professors and doctors.

Dollar slips against yen in Tokyo

TOKYO, Sept 29: The US dollar slipped against the yen Wednesday while share prices on the Tokyo Stock Exchange declined on further indications of the weak state of Japan's economy, reports AP.

The dollar closed at 105.23 yen, down 0.49 yen from Tuesday's close of 105.72 yen but higher than its overnight New York finish of 104.90 yen.

After opening at 105.13 yen, the dollar ranged between 105.05 yen and 105.50 yen.

The dollar was supported by the German mark's weakness in early trading but it drifted lower under selling pressure by players adjusting overbought dollar positions, said Akira Narumi of Sakura Bank.

In New York overnight, the dollar also met selling pressure after a meeting between Japanese Prime Minister Morihiro Hosokawa and President Clinton yielded little concrete progress toward reducing Japan's trade surplus with the United States.

T-shirt with portrait of Arafat: Palestinians' latest product

BEIT JALLA, Occupied West Bank, Sept 29: The Palestinian owners of the OBG Textile Factory like to show off their latest product: a T-shirt with a portrait of Yasser Arafat, reports AP.

However, about 80 per cent of their 300,000 dollar a month in sales is not to Arabs but to Israel: shorts for kibbutz farmers, underwear and socks for department stores, dresses and track suits for boutiques.

Economic ties between Israel and the occupied lands are well established and may be strengthened by the PLO-Israel accord. But relations are complex and both Israelis and Palestinians worry about the economic impact of peace.

They can agree on the need to erase the poverty and the 40 per cent unemployment that is a source of Palestinian violence and terrorism.

"A good peace depends on good commerce. Both Arabs and Jews have an interest in a prosperous economy," said Jirir Al-Aria, one of the town's five textile factories.

Yet Israel fears competition from OBG's textiles as well as from citrus and other agricultural goods grown by low-wage Palestinian workers.

Jordan worries that Palestinians who make up 75 per cent of the business community in the kingdom will shift their wealth to the West Bank and Gaza Strip.

Palestinians fear being caught in the middle.

Dan Propper, head of the Israeli Manufacturers' Association, noted Israel's 11 per cent unemployment rate and said the country would have to protect some industries such as textiles, at least initially.

But he envisions Tel Aviv as a vibrant economic hub.

"I believe the autonomy could serve as a bridge for export into Arab countries. Israeli technology can be used to produce products in the autonomous areas for consumption in the Arab world," he said.

Propper said plastic dishes, toys, furniture, paper products, gold jewelry and other goods could be jointly made for sale in neighbouring Arab states.

Samir Hulleleh, who administers European community aid for the occupied lands, said there is a perception in the Arab world "that we Palestinians will be a Trojan horse for Israel because we know the Hebrew language and the people and have a relationship already."

Elias al-Arja, the manager of OBG, said he is not anxious for free trade with the Arab world, where wages are lower and Syrian-made T-shirts sell wholesale for one dollar — half his price.

Others believe that allowing Israel too big a role could impede plans to entice rich Palestinians abroad, who are seen as having an investment potential of 100 million dollar.

One of the plums of peace will be economic aid, about 500-600 million dollar a year from non-Arab countries alone, according to Palestinian estimates. Much will be spent building 20,000 to 30,000 housing units a year as well as roads, sewer lines, telephone exchanges and power grids.

Israel's construction industry is primed to do the work, but Hulleleh said that could alienate Palestinian contractors from Jordan to Bahrain who are also eager for work.

But not all Palestinian investors are skittish about cooperation with Israel.

Kamel Metri, 63, who returned to Beit Jala after 40 years in Lima, Peru, said Israel is the target market for the seven million dollar thread factory he plans to open.

"To have peace and live together with the Jewish people is a great hope," he said. "I think there will be strong cooperation. It will be difficult for Israel to live near a hungry neighbour."

Samir Abdullah, a Palestinian economist at Bir Zeit University in the West Bank, said Israeli-Palestinian cooperation is a "must" in some areas but had to be built on a new sense of equality.

"We have had a lot of relations in the past quarter-century, but they were formed on the basis of Israel's interests," he said. Now, it will depend on mutual agreement."

বাংলাদেশ পেট্রোলিয়াম এক্সপ্লোরেশন কোম্পানী লিঃ
Bangladesh Petroleum Exploration Company Ltd
(A Subsidiary Company of Petrobangla)
9th Floor, HBFC Building, 22 Purana Paltan, Dhaka-1000
No 123.01J6 Dated: 23-09-1993

International Tender Notice

BAPEX invites quotations from the reputed well service company/representatives for hiring 3rd party well services against the following International Tender for Shabajpur Well under cash foreign exchange.

SI No	Tender No	Description	Opening Date	Closing Date & Time	Opening Time	Price of documents (non-refundable)
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1.	BAPEX/PD/INT/TEN-16/93	DST Services & completion materials	08-11-93	08-11-93 at 11.00 hrs	11.15 hrs	Tk 2500/- or US\$ 65.00
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Tender documents containing detailed specification with terms & conditions will be available with BAPEX Accounts & Finance Division, Ibrahim Mansion (4th floor), 11 Purana Paltan, Dhaka from 08-11-93 on all working days between 09.00 hrs and 12-30 hrs on payment. The quotation will be received and opened as per respective date & time mentioned above in the Tender Box placed in Material Control Division, BAPEX, 9th floor, HBFC Building, 22 Purana Paltan, Dhaka up to 11.00 am and will be opened on the same day at 11.15 am in presence of bidders available.

In addition the tender documents will also be sold and received as per stated date and time in the following offices:

- Accounts Division, Petrobangla, Petro Centre, Plot No 3, Kawranbazar, Dhaka.
- Bakhrabad Gas Systems Ltd, Head Office, Chapapur, Comilla.
- Titas Gas T & D Co Ltd, Titas Bhaban, 11, Kawranbazar, Dhaka.
- Jalalabad Gas T & D Systems Ltd, Amborkhana, Bara Bazar, Sylhet.
- RPGCL, BSEC Bhaban, Kawranbazar, Dhaka.
- Sylhet Gas Field Ltd, Chiknagool, Sylhet.
- Bangladesh Gas Fields Co Ltd, Court Road, Brahmanbaria.

Tender documents will not be sold on the day of opening. BAPEX reserves the right to accept or reject any or all tenders without assigning any reasons whatsoever.

Tender Notice

Separate sealed tenders in Bangladesh Form No 2911 are hereby invited from the DPHE enlisted "C" category contractors renewed/enlisted for the year 1992-93 or 1993-94 for the work mentioned below at Naogaon Pourashava under 18-Dist Town Water Supply, Sanitation and Drainage Project of DPHE, assisted by the Dutch Govt.

SI No	Description of work	Estimated cost (In Tk)	Cost of T. Doc.	Earnest money 2% E.C. (In Tk)	Time of completion
1.	Construction of PWSS office at Naogaon	2,35,213/-	300/-	4,705/-	45 days

The tender documents will be available for selling on all working days during the office hours on requisite payment (Non-refundable) up to 10.10.93 from the office of the Executive Engineer, DPHE, 18-DTP, Nilphamari Division, Nilphamari, and Sub-Divisional Engineer, DPHE, 18-DTP, Naogaon and Joypurhat Sub-Division. The tenders will be received in the above said offices simultaneously up to 1-00 PM on 11/10/93 and will be opened at the office of the undersigned at 12.00 noon on 12.10.93 in presence of the tenderers or their representative happened to be present at the time of opening tenders.

Other information and terms & conditions will be available in the tender documents. No tender document will be sold on the date fixed for receiving tender.

Md Sakawat Hossain
Executive Engineer, DPHE
18-DTP Nilphamari Division,
Nilphamari. Phone: 554