

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 Reuter.

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 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 compa-

nies.

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 in parliament.

In one sting, Patterson said, IBM provided him with approximately 3,600 circuit boards that he sold for \$5 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 of 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.

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 Shafei said here.

Shafei, 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.

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

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.

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-

'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 in 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.

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"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 Tyler 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.

Employment Minister Miet Smet said in 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

Fruiden where they were employed as part-time fruit-pickers.



An Afghan boy looks after his family's crop of opium in the Wardak 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.

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.

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 are also 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.

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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 pharmacists, professors and doctors.

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 Jiris 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.

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.

Sl 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 Sakhawat Hossain
Executive Engineer, DPHE
18-DTP Nilphamari Division,
Nilphamari. Phone : 554



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

No 123.01.16

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 Shabujpur Well under cash foreign exchange.

SI No	Description	Opening Date	Closing Date & Time	Opening Time	Price of documents (non-refundable)
1.	BAPEX/PD/INT/ TEN-16/93 DST Services & completion materials	08-11-93	08-11-93 11.15 hrs	11.00 hrs	Tk 2500/- or US\$ 65.00

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:

- a. Accounts Division, Petrobangla, Petro Centre, Plot No 3, Kawranbazar, Dhaka.
- b. Bakhrabad Gas Systems Ltd, Head Office, Chapapur, Comilla.
- c.