

DHAKA THURSDAY, MARCH 16, 1995

Railway contributing significantly to nat'l economy, says Oli

Communications Minister Oli Ahmed yesterday said Bangladesh Railway has begun contributing to the national economy by developing its efficiency and services, reports BSS.

Addressing the handing over ceremony of nine locomotives received through German assistance at Kamalapur Railway Station here, he said for more than a decade railway was an ignored sector and no investment was made to make it viable.

Secretary of Railway division A K M Mashur Rahman, German Ambassador to Dhaka Dr Jurgen Ghel, Additional Secretary of the division M A Monaf and General Manager of the Railway Eastern Zone M A Matin also spoke on the occasion.

Referring to a recent study on Railway, the minister said if the railway could be provided with necessary number of locomotives transportation of goods would increase to four million tonnes per year. Last year 2.5 million tonnes of goods were transported by the railway.

Oli said that Bangladesh had got nine locomotives while 10 more would join the railway fleet soon with the German assistance. He said these locomotives would be able to increase the transportation capacity of the railway effectively.

The minister said at present railway has 275 locomotives while at least 60 more locomotives are needed to fulfill the present requirement. Most of the operating locomotives

have expired their 20 years of economic life long ago, he said adding that replacement of these locomotives have become a necessity for getting efficient services.

Oli said in 1982-1983 the deficit in railway sector was only Taka four crore while due to bad governance in 1989-1990 the amount of deficit stood at Taka 150 crore while the railway services deteriorated alarmingly.

The minister said since the present government has taken over, effective measures have been taken to check the situation and back the railway on the track of development and efficiency.

In fiscal 1991-92 the deficit of railway was brought down to Taka 95 crore despite the effect of Gulf War and increased

salary of employees, he said. He further said the government has bought 66 passenger coaches from Iran and the railway passengers will have its services from the next year.

The minister informed that the government is going to take up a 15-year perspective plan for the railway in next July.

Oli said besides 19 locomotives from Germany, 10 more locomotives and 66 coaches are being purchased from the government's own resources.

He said 80 special types of wagons have already been purchased for container service. Container transportation has increased three times in 1993-94 compared to that of 1990-91, he added.



Shahid Ahmed Chaudhuri, Managing Director and Actuary of Delta Life Insurance Company seen inaugurating the 8th annual conference of the company at BARD, Comilla on Tuesday.

Dhaka to receive Tk 100 cr Norwegian grant

Bangladesh will receive from Norway an amount of 170 million Norwegian kroner, equivalent to Taka approximately 100 crore, during the year 1995 as grant as per agreed minutes signed here yesterday between the two sides, reports BSS.

The agreement was arrived at on conclusion of annual consultations on Bangladesh-Norway development cooperation held here in the Economic Relations Division (ERD) of the Ministry of Finance.

In the discussions, apart from general evaluation of the existing Bangladesh-Norway bilateral economic cooperation, review of the on-going as well as pipeline projects under Norwegian assistance came up.

Norway has been supporting projects in some vital sectors like rural development, education, healthcare, communications, rural electrification, environment and women in development since the independence of Bangladesh.

Zakia Akhter Choudhury, Joint Secretary Economy Relations Division, Ministry of Finance and Gerd Wahlstrom, Director, Regional Department for Asia and Latin America, Norway, Oslo, signed the agreed minutes on behalf of their respective government.

France's budget deficit below projection

PARIS, Mar 15: France's 1994 budget deficit was 299.1 billion francs (59.7 billion dollars), down 16.5 billion francs from 1993 and slightly below earlier projections of a 300 billion-franc deficit, the Budget Ministry said Wednesday, reports AP.

Total revenue in 1994 came to 1,276.2 trillion francs, an increase of 6.1 per cent over 1993. Public spending increased by 3.7 per cent over 1993 to 1,575.3 trillion francs and debt service increased by 9.6 per cent to 208.3 billion francs.

The government plans to cut the budget deficit this year to 275.1 billion francs as part of multi-year programme aimed at reducing the deficit to three per cent of gross domestic product by 1996.

G-7 monetary officials assess fall-out from forex crisis

PARIS, Mar 15: Top monetary and economic officials of key industrial nations yesterday assessed the fall-out from the storm that has swept the foreign exchanges in the past two weeks, as the dollar appeared to be sailing into calmer waters, reports AFP.

But US Treasury Undersecretary Larry Summers and other participants in two rounds of discreet talks among deputy finance ministers of the Group of Seven (G-7) countries declined to divulge the tenor of their discussions, which began here late Monday.

The G-7 officials representing Britain, Canada, France, Germany, Italy, Japan and the United States were understood to have discussed prospects for a tightening of their economic and monetary policy coordination as a means of ensuring more stable conditions on the foreign exchanges.

But senior economic diplomats said they did not expect the talks to lead to any significant changes, at least in the shorter term in the attitudes of monetary authorities in Washington, Frankfurt and Tokyo.

They implied there was not much chance of any early upward adjustment of US short-term rates timed to coincide

with reductions in German and Japanese rates to steady the markets.

Hans Tietmeyer, President of the German Bundesbank told reporters at the Swiss banking centre of Basel after the monthly meeting of key central banks on Monday that it was up to each country to face its fundamental problems in a "credible" manner.

The Bundesbank is scheduled to hold its bi-monthly meeting on monetary policy in Frankfurt on Thursday, but the market expected the institution to maintain its key rates unchanged.

Tietmeyer also promised

AFP sees profit at long last

PARIS, Mar 15: Agence France-Presse (AFP) increased turnover and made a small profit in 1994 after many years in the red, its President and Managing Director Lionel Fleury announced, reports AFP.

Turnover rose by 6.5 per cent to 1,138 million francs (227 million dollars) and the agency ended the 1994, financial year with a profit of 432,000 francs (86,400 dollars). The board of administration was told on Tuesday.

continued "close" cooperation among the central banks, which staged an unusual concerted intervention to check the dollar's fall at the beginning of the month, and predicted that the currency would continue to firm up.

The foreign exchanges remained fairly calm Tuesday with the dollar benefiting from a breather in London, where it was quoted around mid-day at dm 1.4095 and 90.80 yen up from the overnight closing rates of respectively 1.4065 and 90.35.

The G-7 officials joined Finance Ministry and central bank delegates from the Netherlands, Sweden and Switzerland just before noon in a high level Working Party, the WP3, of the 25 nation Organization for Economic Cooperation and Development (OECD), which monitors economic and monetary developments.

Summers, the US treasury officials who chairs the group, half ironically told reporters they were to have the usual discussions in the usual spirit of cooperation," in the WP3 on the economic and financial situation.

The panel was to end its meeting at lunch time on Wednesday.

Islami Bank's reception to Nasir Uddin

Islami Bank Bangladesh Ltd arranged a reception in honour of Mir Mohammed Nasir Uddin, Bangladesh Ambassador designate to the Kingdom of Saudi Arabia at Sonargaon Hotel in the city on Tuesday.

The function was addressed, among others, by Saudi Ambassador Abdullah Omar Barry, Secretary of Banking Division Dr ATM Shamsul Huda and Commodore Mohammad Ataur Rahman (ret), Chairman of the bank.

The function was attended by ambassadors of the Muslim countries, Vice Chancellors of the universities, bankers, high government officials and elites of the city.

Duma okays budget '95

MOSCOW, Mar 15: The lower house of Russia's parliament, the State Duma, Wednesday gave final approval to the 1995 budget, the centerpiece of the government's financial stabilization programme, reports AP.

The Duma had approved the budget in principle last month, Wednesday's vote, with 289 deputies for, 81 against and none abstaining, was a confirmation of the document's final text.

Wednesday's vote was the fourth and final reading of the budget bill.

The budget, which envisages spending 248.3 trillion roubles 52.3 billion dollars now goes to the parliament's upper chamber, the Federation Council, for consideration.

First Deputy Prime Minister Anatoly Chubais said the budget would easily be approved by the Council. "There is no doubt that this budget will pass," he said after the Duma gave its nod of approval to the plan.

In the Duma, he said, "only the Communists voted against the budget, and for purely political considerations."

The Federation Council was expected to take up the budget in the next few weeks. If it passes, it will then go to President Boris Yeltsin for signing.

The government's economic programme envisages bringing inflation down from 11 per cent monthly to 1 per cent a month by the second half of the year by giving up inflationary central bank financing of the deficit.

Indian economy robust but fiscal deficit a threat: Survey

NEW DELHI, Mar 15: India's economy is set for the fastest growth in four years on the back of a robust industrial and agricultural performance, the government said yesterday in its annual report of the health of the economy, reports AFP.

But a high fiscal deficit and inflationary pressures pose a serious threat, and the economy needs continuing reform to prevent relapse into a crisis of the kind experienced after the Gulf War, the pre-budget economic survey said.

The report, delivered to parliament by Finance Minister Manmohan Singh, projected economic growth of 5.3 per cent in the 1994-95 fiscal year ending March — the highest in four years and up by one percentage point over 1993-94.

A vigorous, broad-based industrial growth of eight per cent, supported by a robust agricultural performance and buoyant exports contributed to the overall turnaround achieved in the fourth year of liberalisation, it said.

Foodgrain production in the current year is estimated at a record 185 million tonnes and exports are set to register 17 per cent growth to 25 billion dollars.

"Compared to other coun-

tries coping with crisis and adjustment, the restoration of economic stability and revival of growth has been exceptionally smooth," the report said.

"But these undeniable achievements are not free from threat," it warned, going on to list the government's high fiscal deficit and continuing inflationary pressures as cause of concern.

The deficit in the current year is estimated at about 18 billion dollars, six per cent of gross domestic product, fuelling inflation running at a year-on-year rate of 11.5 per cent.

"The borrowing requirements of a high fiscal deficit are a source of pressure on interest rates and adversely affect the availability of resources for productive investment," the survey said.

"Nor is the hard-won relaxation of foreign exchange constraint immune from reversal," it said, stressing the need for fiscal restraint and continuing reforms in tax and trade policies to sustain growth.

Any slackening of reform could adversely affect the flow of foreign investment, it said.

The survey, presented on the eve of the fiscal 1995-96

budget, comes amid a renewed debate on liberalisation sparked by a string of election defeats suffered by the ruling Congress (I) Party.

Critics have laid the blame for the electoral reverses on the reforms, which have included subsidy cuts and a gradual removal of price controls contributing to double-digit inflation.

Increases in the prices of controlled commodities, a shortfall in cotton and sugar production, and increasing capital inflows have also been responsible for the rising cost of living.

But to make an effective dent on poverty and create jobs there is no escape from reforms, which are necessary for "growth, equity, self-reliance and modernisation," the report said.

The reforms were launched in mid-1991 when India was battling its worst fiscal crisis in the wake of the Gulf War, which sent oil prices soaring, squeezed off remittances and reduced foreign currency reserves to just one billion dollars.

Liberalisation, overturning four decades of protectionism, began with a phase of painful belt-tightening and a double devaluation of the rupee.



General Manager of KLM operations in Bangladesh Cees Ursem seen addressing the press conference at Dhaka Sheraton yesterday. —Star photo

KLM's one more flight a week from April

KLM, the Dutch flag carrier, will operate three flights a week to and from Dhaka beginning April 1, reports UNB.

Announcing introduction of the third flight at a press briefing here yesterday evening, General Manager of KLM Operations in Bangladesh Cees Ursem said the expansion was a proof of the airlines' growing interest in Bangladesh market.

"It's a proof of our efficiency and growth. The business in Bangladesh is going quite well. We are realising that there is strong demand here for our quality service," he said.

Ursem told a questioner that the flights are operating, on an average, with 75 per cent occupancy.

The Royal Dutch Airlines started operations in Dhaka from October 1 last year with two flights a week — Monday and Thursday. The newly introduced third flight will be on Saturday.

Ursem said KLM was going to reschedule its flight hours during night time to facilitate quicker connections for pas-

sengers to their end destinations.

As per the new schedule, beginning from March 26, flights will arrive Dhaka at 2-25 am in the morning and depart at 4 am.

Apart from the convenience of the "same day connection," the night flights would reduce hassles for the passengers at ZIA, the KLM manager said.

Acknowledging the good business impact of KLM's ZIA-Chittagong-ZIA coach service for its passengers, unique in Bangladesh, Ursem said a similar coach service would start from April 1 for the passengers of Sylhet.

The airlines will carry out a special promotional drive in April with a lucky draw for every departing flight. The winner will get spot refund of the money he or she paid for the ticket.

Aminur Rahman, Managing Director of Traveltime Ltd, the General Sales Agents for KLM in Dhaka, was also present at the press conference.

Consumer prices in OECD states increase

PARIS, Mar 15: Consumer prices in member countries of the Organization for Economic Cooperation and Development (OECD) rose by 0.4 per cent in January, leaving inflation over 12 months at 2.7 per cent, the same as in January 1994, the OECD said yesterday, reports AFP.

The figures excluded high inflation of Turkey, which recorded a January price rise of 6.8 per cent and an increase of 130.6 per cent over the 12 months to January.

Mexico, which joined the OECD last May and was incorporated in the monthly OECD survey for the first time, registered a 12-month rate of 10.2 per cent up from a 7.0 per cent average for 1994 as a whole.

The seven major OECD countries posted an average increase of 0.34 per cent in January, with Britain recording a fall to 0.0 per cent compared with a 0.5 per cent rise in December.

Oil workers' union in Kuwait threatens strike

KUWAIT, Mar 15: A Kuwaiti oil workers' union said its member would strike and halt crude production from Saturday if management did not meet demands for a reshuffle of employment grades.

"If the strike goes through production operations will stop," Kuwait Oil Company (KOC) Labour Union Chairman Mohammad Al-Sarhan told Reuters on Tuesday.

Kuwait produces two million barrels per day (BPD) of crude oil, about three per cent of world output.

Sarhan said a meeting of 800 union members on Monday evening voted to stage a strike in the production and maritime export departments from 0400 GMT on Saturday.

He said the union wanted to reshuffle the employment

structure and improve the workers' situation.

He said union leaders would meet Labour and Social Affairs Minister Ahmad Al-Kulaib on Tuesday to discuss the situation.

Also officials of the oil and petrochemical industry workers' federation, to which Sarhan's union is affiliated, would discuss the dispute with Prime Minister Sheikh Saad Al-Abdulla Al-Sabah on Tuesday, he said.

The union's board warns officials in the administration of the company (KOC) not to take any provocative measures or impose penalties against the workers," Sarhan said.

KOC spokesmen were not immediately available for comment.

Mubarak urges Japanese cos to invest more

TOKYO, Mar 15: Egyptian President Hosni Mubarak yesterday urged Japanese companies to invest more in his country which, he said, enjoyed a high level of security, reports AFP.

"We need your cooperation with us in the fields of improving production and productivity, applying modern technology and enhancing research and development," Mubarak said at a luncheon hosted by Japanese business organisations.

Economic cooperation between Japan and Egypt remains at a low level, compared with political ties, Mubarak was quoted by businessmen as saying.



Bangladesh participated in the international fair held recently in Rabat, Morocco. Huge crowds including members of the royal family visited Bangladesh stall and appreciated Bangladeshi sarees, silk products and handicrafts. Photo shows Begum Suraiya Quayyum, wife of Ambassador of Bangladesh to Morocco, welcoming princesses Lalla Meriem, Lalla Aasmae and Lalla Hasnae, daughter of King Hassan II.

Bangladesh Petroleum Exploration Company Ltd (BAPEX)
(A Subsidiary Company of Petrobangla)
Material Control Division
HBFC Building (9th Floor), 22, Purana Paltan, Dhaka
Tender: 123.53.88 Dated: 6-3-95

Tender Notice

Sealed quotations are hereby invited from the bonafide suppliers/manufacturers/distributors on prescribed schedule for supply of de-humidifier and computer.

Tender schedule containing terms and conditions will be available at our Accounts & Finance Division, Ibrahim Mansion (3rd floor), 11, Purana Paltan, Dhaka during office hours from 27-3-95 for (1) De-humidifier at a cost of Tk 250/- (2) for computer at a cost of Tk 500/- per schedule (non-refundable). No tender schedule will be sold on opening date of the tender. Tenders in separate seal covered superscribing the case number and description of goods may be dropped in the tender box kept at Material Control Division, HBFC Building (9th floor), 22, Purana Paltan, Dhaka at 12.00 Noon on 5-4-95 which will be opened on the same day i.e. on 5-4-95 at 12.10 PM in presence of tenderers (if any).

Management reserves the right to accept/reject any or all the tender and increase/decrease the quantity of the item without assigning any reason whatsoever.

DFP-5684-9/3
G-389
General Manager (MCD)