

Indian banks cautious about raising interest on deposits

BOMBAY, Oct 7: India's banks have so far resisted the temptation of offering higher interest rates to attract long-term deposits following the lifting of 12 per cent ceiling on deposits of over two years by the Reserve Bank of India.

"It is not an easy decision," an executive of State Bank of India (SBI), India's largest commercial bank, told Reuters.

The bank was widely expected to announce a revised rate on long-term deposits at a board meeting on Friday. But bank officials said the issue was not discussed at the meeting.

Officials of other state-run banks said the issue will be discussed at a meeting of the Indian Banks Association (IBA), a body of bank managements, in Bombay on October 16.

Only one foreign bank, the Hong Kong and Shanghai Banking Corporation, has raised its deposit rate by one

percentage point to 13 per cent. No major Indian bank has raised deposit rates.

But some regional banks like Federal Bank and newly-set up private banks like Times Bank and ICI Bank have raised their deposit rates for over two years to 13 per cent.

In its credit policy announced last week, the Reserve Bank freed deposit rates over two years while keeping a ceiling of 12 per cent on deposits of less than two years.

"I am happy they are sensible," said a banking analyst with a foreign brokerage about the caution displayed by most banks.

"Most banks are already offering 12 per cent on term deposits of less than two years," he added.

"A sharp hike only on deposits of over two years (to 13 per cent as some have done) does not make sense,"

said the analyst, who declined to be identified.

Bankers say higher deposit rates cannot be sustained without raising the lending rates, which the market may not bear.

Most Indian and foreign banks are lending at around 15.5 per cent and above. Indian firms are clamouring for lowering this rate as they now have to compete with overseas businesses whose finance costs are less than half that in India.

"Three years is risky with elections due next year," said another banker. "I don't see why banks should be after deposits of over two years."

"One year down the line, interest rates may drop," said a banker. "Then you won't know what to do with this money," he said, referring to new deposits mobilised at 13 per cent.

"We are looking at 13 per cent," the treasury head of

one newly-set up private bank said. "For a private bank, it's a question of attracting personal deposits," he said.

Some leading banks also said they may be forced to raise their long-term deposit rates if most other banks did.

"We are playing a wait and watch game," a top executive of Standard Chartered Bank said. He said the bank was studying the implications of such a move as the cost of funds will go up.

There are reports that branch executives of some banks like Vyasa Bank are pressurising their managements to raise the deposit rates.

The banks were not immediately available for comment.

"Given the hard mentality in India, I won't be surprised if more banks raise the rates despite the implications," said an analyst from an Indian brokerage.

Forward trading may boost Indian stock market

BOMBAY, Oct 7: India's stock exchanges are primed for a rally with the imminent reintroduction of forward trading and the upcoming Hindu holiday of Diwali, brokers said here, reports AFP.

Diwali, which falls on October 23 this year, is considered a particularly auspicious time to conduct business in India.

Brokers said the holiday, combined with the Securities and Exchange Board of India (SEBI) decision to propose a modified forward-trading system, could boost the Bombay Stock Exchange sensitive index by 100 to 200 points.

Last month's move to clear the way for a central depository system for shares could also contribute to a market rally, they said.

Jardine Fleming analyst Ritu Gupta said Thursday's decision to reintroduce forward trading was "very good news" for the market and predicted a rise of six to seven per cent during the next two months as liquidity improves.

Clinton eases restrictions on supercomputer exports

WASHINGTON, Oct 7: President Clinton relaxed most restrictions on exports of US supercomputers Friday, saying "the global spread of technology" had made many Cold War restrictions obsolete, reports AP.

The move opens the way for sophisticated high-performance computer work stations to be sold in countries denied such exports in the past, including China, Pakistan and the former Soviet republics.

The ban on computer exports would remain for Iraq, Iran, Libya and North Korea.

Clinton said the step would "relieve US computer manufacturers of unnecessary and ineffective regulations which often have tied their hands while foreign competitors won major contracts or built their own systems."

The action will increase the business of US technology firms by one billion dollars to two billion dollars, the White House predicted.

The US computer industry

hailed the announcement. "Continued deregulation of the computer industry creates new job opportunities for American workers and brings new revenue in to the US economy," said Robert B Palmer, Chairman of Digital Equipment and leader of a coalition of 13 major US computer companies.

But critics claimed it would make it easier for unfriendly or unstable nations to build weapons of mass destruction. Some suggested it was largely a political gesture by Clinton to win support in California, where nearly all US supercomputers are built.

"This decision has serious proliferation implications and was made without any opportunity for congressional review," said Republican Floyd Spence, Chairman of the House National Security Committee. He said he would "review this issue in detail and assess whether or not a legislative response is necessary."

The restrictions originally

were established to prevent the spread of technology that might help America's enemies, especially in bolstering their missile and nuclear capabilities.

They were last eased in 1993. The administration said machines considered "supercomputers" just two years ago are now coming into widespread commercial use. "The whole characterization of supercomputers is losing relevance," said National Security Council aide Dan Poneman.

Clinton said the overhaul "will adjust to the global spread of technology while preserving our vital national security interests."

He eliminated all export controls on supercomputer sold to countries in North America, most of Europe and parts of Asia.

For most other countries, sales of supercomputers with speeds of up to 20,000 MTOPS — million theoretical operations per second — would be permitted.

ME peace lies in success of joint Arab-Israeli dev projects: Experts

NICOSIA, Oct 7: Both Arab and Israeli experts believe that the Middle East peace process will be consolidated only after Arabs and Israelis conclude joint development projects, reports Xinhua.

These experts expressed the belief during a three-day oil and energy conference, a Cyprus weekly reported yesterday.

The conference, organized by the Cyprus-based Arab Press Service (APS), had the Middle East energy strategy to the year 2008 as its main theme. It was attended by 80 senior oil executives from 30 countries.

Kamel Abu Jaber, former Jordanian foreign minister, said at the conference that it was imperative to close the huge disparity in per capita income between the Israelis and Palestinians.

He said the annual income of an Israeli averaged 14,000 US dollars, while a Palestinian could only earn a scant 1,000 dollars per year.

As foreign minister, Abu Jaber headed a joint Jordanian-Palestinian team to the Arab-Israeli peace talks when they began in Madrid in October 1991.

G-7 officials meet in Washington Emergency fund to meet future financial crises gains support

WASHINGTON, Oct 7: The United States is picking up support for creation of a 50 billion dollars emergency bailout fund to deal with future Mexican-style financial crises, but the Clinton administration concedes it hasn't yet resolved the question of how it will be financed, says AP.

Top finance officials from the world's seven richest industrial countries — the United States, Japan, Germany, Britain, France, Italy and Canada — were meeting Saturday at the US Treasury to address the issue of future national crises and other problems facing the world economy.

Treasury Secretary Robert Rubin, Federal Reserve Chairman Alan Greenspan and their counterparts were expected to spend considerable time reviewing the wide swings in currencies this year that saw the dollar plunge to record lows against both the Japanese yen and the German mark in April.

The meeting of top finance officials from the seven largest economies was being

held in advance of the annual meetings starting Sunday of the International Monetary Fund and the World Bank.

At those sessions, the administration hopes to win approval of a package of proposals first unveiled at last June's summit meeting in Halifax, Canada, to bolster the ability of the IMF to respond to future Mexican-style financial crises.

The United States wants a 50 billion dollars emergency bailout fund in the IMF, with the money coming from an existing 28 billion dollars IMF line of credit and new contributions from wealthy countries.

However, some newly wealthy Asian nations that are being asked to contribute object that they would not have as much control over the fund as the original members, which include the G-7 nations.

Rubin played down reports of discord in his meeting with reporters Friday.

"The prospective donors have been satisfied with the responses we've had with respect to those issues... I think

we are making very good progress in these informal discussions," he said.

But officials said while the IMF's policy-setting interim committee is expected to endorse the goal of creating the new emergency financing mechanism, it will take several more months.

Japan faces two tough tasks

Reuters reports from Tokyo: Japan faces two tough tasks at the Group of Seven (G-7) meeting to restore global confidence in the nation's shaky banking system and obtain continued G-7 backing for a further rally in the dollar.

Finance Minister Masayoshi Takemura said on Friday that he will try to restore confidence in Japan's banking sector when he meets top policymakers from the other G-7 nations.

Worries over Japan's fragile financial system have intensified after a string of failures at financial institutions as well as last week's news of a huge loss by Daiwa Bank Ltd on unauthorised bond trading in New York.

30,000 Boeing workers go on strike

SEATTLE, Oct 7: Unions representing more than 30,000 Boeing Co. production-line workers in three American states went on strike Friday at the world's No. 1 maker of jetliners, reports AP.

The walkout began at midnight after the Machinists union voted three-to-one to reject a contract offer that would have required them for the first time to pay health insurance premiums.

Workers set up picket lines at Boeing plants in the Seattle area, Wichita, Kansas, and Gresham, Oregon. No talks were scheduled.

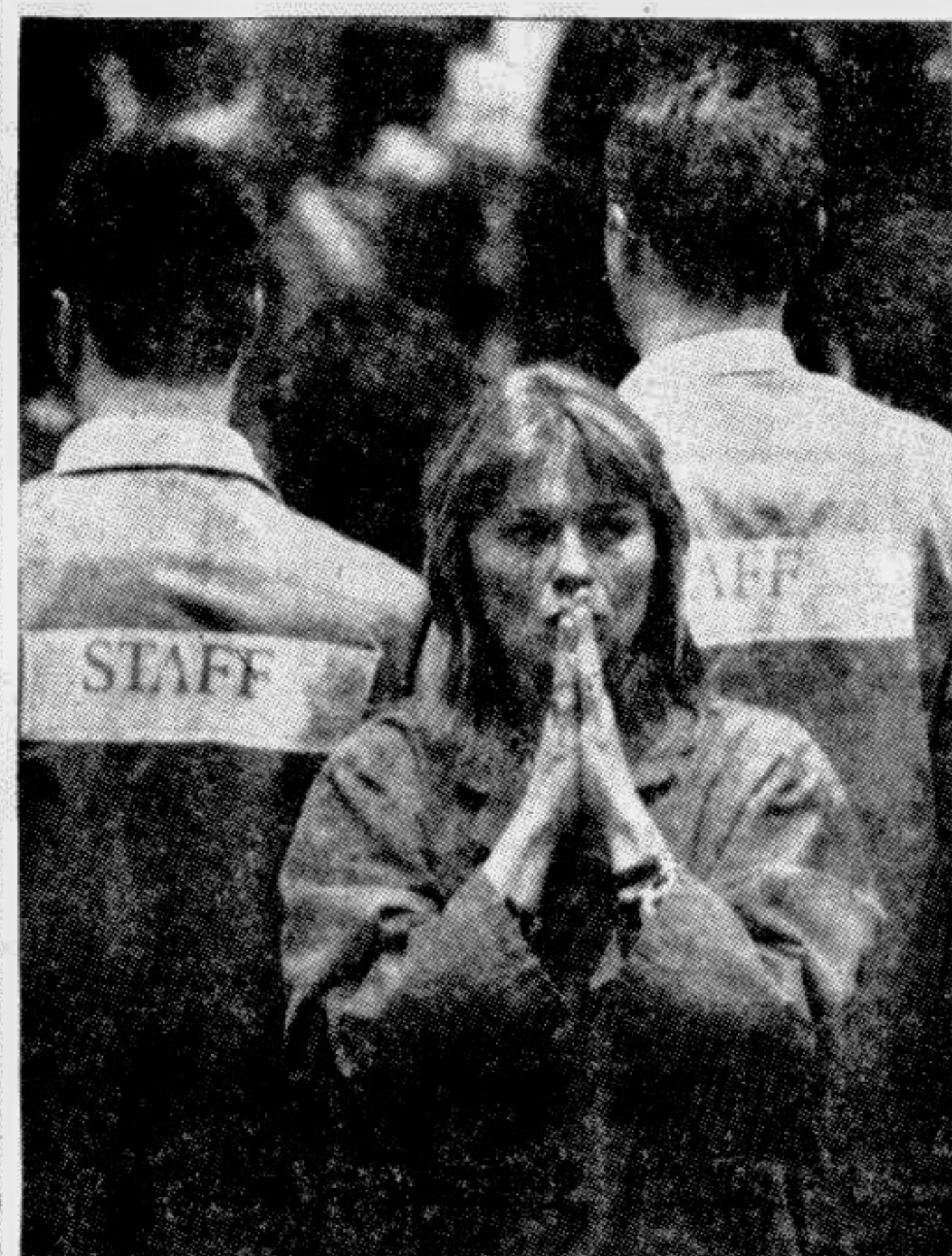
"This is about the maddest I've seen people in this union, and I've been with Boeing nearly 30 years," said Bill Johnson, President of Machinists District Lodge 751, with 23,500 Boeing workers.

Boeing, the world's largest manufacturer of commercial jet aircraft and one of the nation's leading exporters, will try to maintain production with supervisors and workers who cross picket lines, said spokesman, Paul Binder.

The Machinists' strike is the second in six years, the shortest period of labour peace in Boeing's 79-year history. They walked out for 48 days in 1989.

Production has fallen sharply as aircraft orders dried up during the recession of the early 1990s; Boeing's worldwide employment has dropped from a peak of 165,787 in 1989 to 105,230, with about 71,700 in Washington state.

At the Wichita plant, one striker's sign said, "Export Planes, Not Jobs!" — a reference to the company's use of outside contractors.



A trader at the Paris Stock Exchange ponders on Friday as the French franc dropped to its lowest level in three months, quoting 34956 francs for one deutschemark. The political climate and economical situation in France is worrying investors and traders.

— AFP/UNB photo

Striking Turkish workers seek PM's support

ANKARA, Oct 7: Turkey's main labour confederation said on Friday it would call on parliamentarians to withhold support from Prime Minister Tansu Ciller's planned minority government until demands by striking public sector workers were met, reports Reuters.

"The prime minister is on the edge of a knife, and she can win or lose (a confidence vote) with one or two votes," Yildirim Koc, a senior official of Turk-Is, told Reuters.

He said Turk-Is had already started contacting potential backers of the minority government to press them to vote against Ciller if the three-week-old strike was not solved.

"The war is still going on, there is no armistice," Koc said.

Ciller on Thursday announced she received support from President Suleyman Demirel to form a minority government that is expected to be backed by the far-right Nationalist Action Party, the nationalist leftist democratic party and a handful of independents.

BCIC International Tender Notice

বিসিআইসি'র শাখা শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

Managing Director, Chittagong Chemical Complex, Barabkund, Chittagong invites sealed quotation for supply of PVC Ball and Polypropylene Teflon Diaphragm Valve (CCC/IMP-187/95-96) on C & F (C) Chittagong basis under any suitable source of Fund/Credit. Tender Schedule available at Tk. 200/= per set from (i) BCIC Head Office, Dhaka, (ii) BCIC Branch Office, 6, Agrabad C/A, Chittagong & (iii) CCC, Barabkund, Chittagong. Tenders along with 1% earnest money of the total quoted value will be received up to 2.30 PM on 8.11.95 and will be opened thereafter. No late tender will be accepted & no tender schedule will be sold on the opening date. Management reserves the right to accept any or all tenders without assigning any reason.

BCIC-1045-30/9/95 Mesbahuddin Ahmed Chowdhury
DPP-23983-2/10 Addl. Chief Manager (Com).
G-1453 for Managing Director

World telecom talks reach final stage

GENEVA, Oct 7: Trade negotiators launched a final stretch of talks Friday aimed at reaching a global deal to open local and international telephone calls to worldwide competition, reports AP.

Senior level officials from more than 70 countries gathered at the seat of the World Trade Organization to take stock of progress and provide political impetus for the final stage.

Negotiations to liberalize the huge telecommunications industry started in May last year and have now reached a critical point.

The negotiators have until April next year to conclude the deal. If they succeed the result will be lower prices and better services, they say.

"We had a general exchange of the positions of the participating countries," said European Union negotiator Karl Falkenberg after the meeting.

"It provided an insight into the way nations are thinking on this issue."

Altogether 43 countries are taking part in the talks — though more could decide to join later. Together they make more than 90 per cent of telecommunications market. Another 30 nations are observing.

So far nine countries and the 15-nation European Union have made market opening offers to the negotiating group. Delegates say a "critical mass" must submit acceptable offers before a deal can be concluded.

US-China trade deficit may reach \$38b this year

HONG KONG, Oct 7: A senior US official said on Friday Washington expects the US trade deficit with China to reach 38 billion dollars in 1995 and 45-50 billion US dollars in 1996, reports Reuters.

"Just to be candid our side of the bilateral relationship is not so rosy," Lee Sands, Assistant Trade Representative for China and Japan, told a business seminar in Hong Kong.

US exports to China rose only six per cent last year, despite the competitive strength of our industries.

"It's possible that in a few years our deficit with China will be larger than the deficit with Japan."

The United States had a trade deficit of 30 billion US dollars with China in 1994, second only to its 66 billion US dollars deficit with Japan. It recorded a 108 billion US dollar global deficit last year.

US global exports of goods rose 10 per cent last year.

Sands said 40 per cent of China's exports went to the United States, making it China's largest and only truly open export market.

Washington has long been keeping a wary eye on its large trade deficit with China, and especially its rapid growth.

"Our trade deficit with Japan has been decreasing month by month, year by year, while our trade deficit with China accelerates," Sands said. "Right now it is growing at a 25-30 per cent clip."

Minister asks for effect-study Monsoon flooding boosts food prices in Thailand

BANGKOK, Oct 7: The worst monsoon flooding in 12 years has boosted food prices in Thailand and prompted Finance Minister Surakiat Sathirathai to ask for a study of its effects on inflation, a ministry official said yesterday, reports AFP.

The Bank of Thailand and the fiscal policy planning division have been asked to review the prospects for meeting a revised target of 5.2 per cent increase in the consumer price index (CPI), the official said.

The order came two days after the commerce ministry released the news of a 6.2 per cent year-on-year increase in the CPI for September, pushed by a two per cent month-on-month rise in food prices caused by the severe nationwide flooding, a commerce ministry official said.

The central bank had already revised its 1995 inflation forecast in July from 4.8 per cent to a range of 5.0-5.2 per cent.

Surakiat has said he was still confident that inflation would not affect the Thai economy's robust growth, projected at 8.6 per cent this year.

But the steady year-on-year increase in the CPI from 5.4 per cent in April-to-June to 5.8 per cent in July and 6.1 per cent in August has led the business community to expect a higher figure, one broker said.

"The bank may have to adjust the inflation projection from the revised figure of 5.2 per cent to 5.4 per cent," Assistant Central Bank Governor Ruegchai Marak-anonda was quoted as saying by the local press.

Commenting on the expected revision, the broker said it "seems acceptable to foreign investors as it is closer to reality."

Severe flooding has inundated Thailand since early July.

Corrigendum Notice

Tender invited vide this office No. Teesta/IT-11/1544 (230) dt 15.07.95 for the supply of 12" (306 mm) Cutter Suction Dredger of Dismantable, Transportable Multipontoon non-self propelled Type with piper and floaters and work boat, Multipontoon Dismantable and Transportable self propelled Type for Teesta Barrage Project under loan from Saudi Fund for Development (SFD Loan No 8/221), which is scheduled to be received up to 12.00 hrs on 15.10.95, is hereby extended up to 12.00 hrs on 12.11.95. All other terms and conditions of the contract will be remained unchanged.

A pre-bid meeting in connection with the tender will be held on 14.10.95 at 1100 hrs in the office of the undersigned. All prospective/interested bidders are requested to attend the pre-bid meeting in time. The minutes of the pre-bid meeting will be a part and parcel of the tender documents and to be signed and submitted along with the tender.

Ghulam Mustafa
Addl Chief Engineer
Project-IV
BWDB, Rangpur.

PANI-90/95-96
DPP-24190-4/10
G-1456

ঢাকা ওয়াসা টেন্ডার বিজ্ঞপ্তি

পানির অপচয় বন্ধ করুন। ম্যানহোলের ঢাকনা চুরি রোধ করুন

ঢাকা ওয়াসার তালিকাভুক্ত ১ম, ২য় ও ৩য় শ্রেণীর যান্ত্রিক ও বৈদ্যুতিক ঠিকাদারদের এবং সরকারী, আধা-সরকারী ও স্বায়ত্তশাসিত প্রতিষ্ঠানের এমসি/বিসি লাইসেন্সধারী যান্ত্রিক ও বৈদ্যুতিক ঠিকাদারদের নিকট হইতে ৯৩.০৬৭/- টাকা ব্যয় বরাদ্দে ঢাকা-৯-৫২৯০ নং টাক মাউন্টেড জেনারেটর মেরামত কাজের নিমিত্তে টেন্ডার আহ্বান করা যাইতেছে। দরপত্রসমূহ আগামী ২৩/১০/৯৫ ইং তারিখ বেলা ১২-০০টা পর্যন্ত গ্রহণ করা হইবে এবং এদিনই বেলা ২-০০ টার সময় দরপত্রদাটা বা তাহাদের প্রতিনিধিদের সম্মুখে যদি উপস্থিত থাকেন। খোলা হইবে।

ঢাকা ওয়াসার প্রধান হিসাবরক্ষণ কর্মকর্তার অফিস, ওয়াসা ভবন, ৯৮, কালী নজরুল ইসলাম এভিনিউ, ঢাকা ও ঢাকা ওয়াসার সকল মডস জোন অফিসে টেন্ডারের সিডিউল পাওয়া যাইবে। অন্যান্য বিস্তারিত বিবরণ নিম্নলিখিতকারী অফিসে পাওয়া যাইবে।

ঠিকানা:
মিরপুর, ঢাকা।
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নির্বাহী প্রকৌশলী
ওয়ার্কসপ বিভাগ
ঢাকা ওয়াসা

China's trade ties with Arab states steady

BEIJING, Oct 7: With a long history of friendly relations and economic and trade ties dating back to more than 2,000 years ago, China and the Arab countries have enjoyed a steady growth of bilateral economic and trade relations over the past few decades, and a promising future in cooperation, reports Xinhua.

According to sources from the first meeting of the China-Arab Chamber of Commerce (CACC) which finished here today, Chinese-Arab trade at the beginning of the '50s was only 12 million US dollars, but a decade later had grown to more than 100 million US dollars. At the beginning of the '70s, it amounted to about 200 million US dollars.

With improvements in the economy of the Arab countries, and the reform and opening-up policy adopted by China at the end of the '70s, trade soared to 1.6 billion US dollars worth at the beginning of the '80s, and by 1990, amounted to about two billion US dollars.

In the past few years, government contacts and business exchanges between China and Arab countries have increased, as have bilateral economic and trade cooperation.

According to Chinese statistics, Chinese-Arab trade in 1993 amounted to 3,765 billion US dollars and, for the first time, went over four billion US dollars in 1994. In the first half of this co-operation has grown to include engineering, technological co-operation, and investment.

CACC, which was established in 1988, is concentrating on making full use of its non-governmental position to explore new markets and increase economic and trade relations.

At present, China has diplomatic relations and government trade agreements with all Arab nations, and has investment protection and taxation agreements with some of them.

Fate of \$203m paper pulp project in Pune still undecided

BOMBAY, Oct 6: The chief minister of the western Indian state of Maharashtra said yesterday that he had not yet decided whether a paper pulp project involving the Indonesian giant Sinar Mas should go ahead, reports AFP.

"We have not yet taken any decision," Chief Minister Manohar Joshi told a news conference in this state capital. "The project work is going on. I have met party chief Bal Thackeray and told him what I think (of the project)."

Sinar Mas is building a 200,000-tonne per annum paper pulp factory at a cost of 6.5 billion rupees (203 million dollars) in Maharashtra's Pune district.

Environmentalists and opposition parties have demanded that the project be scrapped claiming it would guzzle 25 million litres of water daily in a region that faces chronic shortages.