

WB-IMF's debt relief plan for poor nations endorsed

WASHINGTON, Apr 24: Rich and poor countries endorsed a joint World Bank-IMF proposal Tuesday setting out a "framework" for debt relief for poor debtor nations, and urged final agreement on controversial details by next September, reports AFP.

The United States ruled out any bilateral financial contribution to the scheme, covering a limited group of between eight and 20 countries, whose development risks being stalled by a crushing debt burden even if they pursue "strong" policies.

But the 24-member joint development committee of the World Bank and the International Monetary Fund (IMF) insisted the programme would require contributions not only from international financial institutions but also from bilateral donors.

The panel said "appropriate action" by official creditors in the Paris Club and other creditors would also be called for to help reduce debt burdens to manageable levels.

The IMF's policy-making interim committee on Monday put off any concrete action on the debt scheme until the annual meetings of the Fund and the Bank at the end of next September.

Business briefs

ISLAMABAD, Apr 24: Pakistan's foreign reserves account stands at 1.6 billion dollars, the national newspaper, The News reported on Wednesday.

The country's reserves came under scrutiny during a debate Tuesday in the Senate, Pakistan's Upper House of Parliament.

Special Education Minister Sher Afghan said Pakistan's foreign exchange reserves were at an all-time low of 300 million dollars when Prime Minister Benazir Bhutto's government took power in 1993.

Pakistan's reserves soared to 2.9 billion dollars in the first four months of 1995.

The government began 1996 with 1.5 billion dollars in its foreign reserve account, which has been increasing steadily, according to Afghan.

TOKYO: Japanese construction giant Taisei corp has been awarded 3.8 billion yen (35 million dollars) contract to build part of Vietnam road that will link Hanoi with the port city of Haiphong, a company official said Wednesday.

Taisei will build the 47-kilometer (29-mile) portion of the road between Hanoi and Hai Duong, a spokesman said.

Vietnam will pay with yen credits extended by the Japanese government, the spokesman said.

The planned road will be 106 kilometers (65 miles) long and replace an existing one that is in poor condition.

Japan's production of cars, trucks and buses plummeted 11 per cent in March from the year-earlier month to 963,245 vehicles, the Japan Automobile Manufacturers Association announced Thursday.

The association also said that Japan's auto production in the fiscal year ended March 31 fell 5.0 per cent from a year earlier to 10.09 million vehicles, marking the fifth consecutive year of decline.

By manufacturer, all of Japan's 11 auto makers reported a decline in their March output, with the top three makers — Toyota Motor Corp., Nissan Motor Co. and Mitsubishi Motors Corp. — all experiencing a double-digit drop.

Japan's auto production has been shrinking almost constantly in the past half decade as Japanese auto makers quickly expand their overseas production while reducing exports.

HOBART: Plans for a 1.2 billion Australian dollars (950 million dollars) pulp mill will go ahead even if the Taiwan company behind it fails to find a joint venture partner, Tasmania's premier said Wednesday, reports AP.

Premier Tony Rundle, who flew to Taiwan over the weekend for talks with the Taiwan Pulp and Paper Corporation, said despite an unsuccessful search in Australia and overseas for a joint venture partner, TPPC would go ahead with the feasibility study.

Rundle said the feasibility study would analyze possible sites, then involve community consultation and environmental impact assessment.

After a similar visit to Taiwan late last year, the then Premier Ray Groom said Tasmania had given under takings about resource supply for the proposed mill which would process about two million tons of wood a year, producing about 500,000 tons of bleached pulp for local value-adding and export.

BRISBANE: Nickel and cobalt producer ONI Ltd's March quarter performance was damped by bad weather conditions over its New Caledonian and Indonesian operations.

In the former case, authorities claimed the conditions were the worst for over 40 years. ONI said in its quarterly report Tuesday.

This necessitated the use of lower grade stockpiled ore which also impacted on recoveries achieved, it said.

Most of the debt-ridden countries that would qualify for aid under the proposed scheme are in Africa, but Bolivia, Myanmar and Nicaragua are also on a short-list of potential beneficiaries.

The plan, envisioning for the first time relief for debt owed to multilateral institutions, should aim at ensuring that these countries reform and adjustment efforts "are not put at risk by continued high debt and debt service burdens," the committee said.

Addressing the panel earlier, US Treasury Secretary Robert Rubin said the US administration "strongly" felt the multilateral institutions should finance the programme from their own resources, and bluntly ruled out any bilateral US contribution.

World Bank President James Wolfensohn acknowledged Rubin's remarks but cited "hopes of substantial contributions even without the IMF's own gold reserves."

He told a news conference "a number of other ministers" indicated they felt that bilateral support for a trust fund to finance debt relief was important and that they were "ready to subscribe."

Putting a debt package together in the private sector was not easy either, Wolfensohn said, "you very rarely find people who want to write checks before others write checks."

He also said the World Bank "has adequate resources to bear its share", adding that he would prefer drawing on bank income "without diminishing the normal level of lending."

IMF Managing Director Michael Camdessus reaffirmed that the IMF's share of the cost would have to be financed through the Fund's enhanced structural adjustment facility (ESAF), set up to provide concessional support for the poorest countries.

He said he was confident a solution would be found by September to the issue of whether the continuation of ESAF should be funded through contributions from donors or through sale of some of the IMF's own gold reserves.

ESAF will become self-sustaining from 2004 as a result of reflows on past lending, but will face a period of insufficient funding from the end of the current decade.

The debt plan has dominated discussions here this

week of finance ministers and central bank governors of developed and developing countries, who completed their annual spring meetings at IMF headquarters here on Tuesday.

The development committee in its final communiqué also welcomed the conclusion last month of agreement on the 11th replenishment of the International Development Association (IDA), the World Bank's soft loan arm.

Chatting with reporters, Wolfensohn recognized that IDA was "close to collapse" only a few months ago and said he was "proud" agreement had been reached.

Rubin warned the committee Tuesday that the administration's commitment to paying off outstanding US obligations to IDA could face opposition in the Republican-controlled US Congress.

Under last month's agreement, the US undertook to expand the bill with new dedications for the self-employed and for terminally or chronically ill people.

The core purpose of the legislation is to assure that

US Senate okays major health insurance bill

WASHINGTON, Apr 24: The US Senate unanimously passed legislation to protect millions of workers from losing health insurance when they change or lose jobs. Late additions also would create tax breaks for the chronically ill, reports AP.

The measure now goes to a House-Senate conference committee to work out substantial differences with the House. But the rare 100-0 vote on Tuesday puts the full force of the Senate behind its version as negotiators begin the blending process.

And one controversial Senate provision — requiring insurance companies to treat mental illness the same as physical illness — apparently won't be a problem. Senate sponsors from both parties said it would have to come out.

The bill's success contrasts sharply with the failure two years ago of a wide-ranging proposal by President Clinton to overhaul the nation's health care system.

Senate Majority Leader Bob Dole worked with Finance Chairman William Roth to expand the bill with new dedications for the self-employed and for terminally or chronically ill people.

Under last month's agreement, the US undertook to pay up arrears totalling 934.5 million dollars on past contributions in fiscal 1997, and to contribute 800 million a year for the subsequent two years.

A senior World Bank official said IDA's future would look "fragile" if the accord failed to win congressional approval.

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The bill does not regulate the cost of that insurance, but would stop companies from refusing to sell policies to workers with health problems.

The practice has prevented millions of people changing employers or striking out on their own.

Dole said he regretted the Senate turned back his effort to include a House provision setting up tax-exempt medical savings accounts, but indicated he would continue to push for them.

White House officials have said President Clinton will veto the bill if it includes medical savings accounts.

Buyers of such insurance options would get catastrophic health coverage — subject to a high deductible payment before the insurance kicked in. Part of the premium would go into a tax-exempt savings account from which routine medical expenses could be paid.

Unspent savings would earn interest, and the account could be used for non-medical expenses — but then would be subject to tax.

Dhaka Stock Prices

At the close of trading on April 24, 1996

Five points rise in index

Star Report

The Dhaka Stock Exchange All Share Price Index continued to rise. The index gained 4.83 points, reaching 825.20 from 820.37.

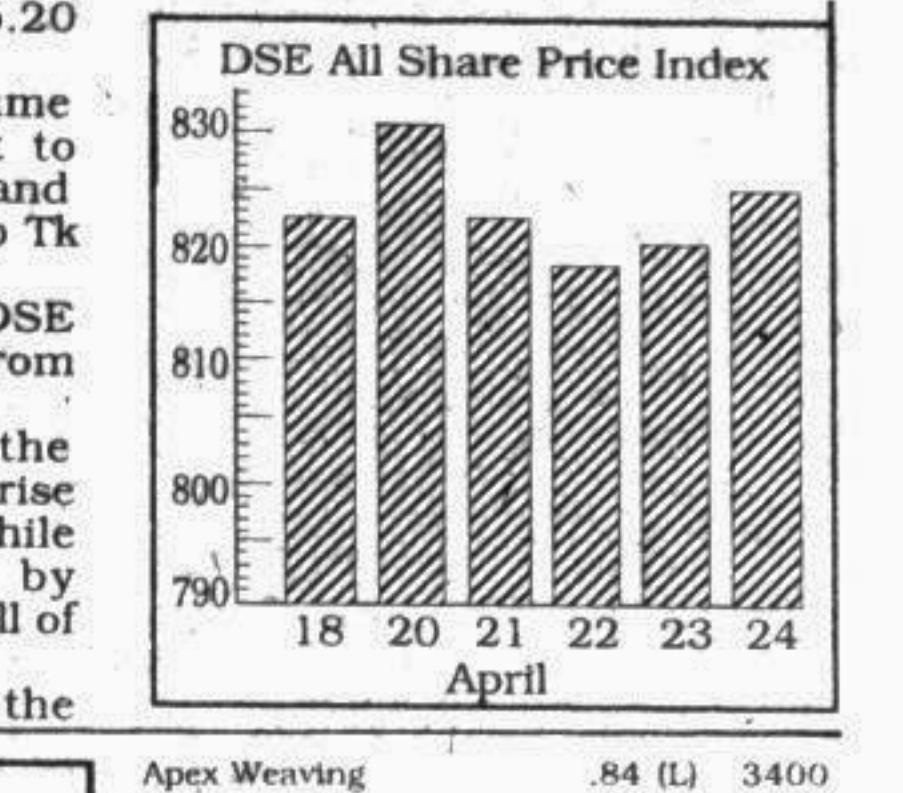
The transaction in volume increased by six per cent to 2.00 lakh from 1.89 lakh and value rose by 35 per cent to Tk 5.46 cr from Tk 4.03 cr.

The market capital of DSE reached Tk 5601.53cr from Tk 5568.78cr.

The leading gainer of the day was Islami Bank with a rise of Tk 200.00 per share while the losers were led by Bangladesh Lamps with a fall of Tk 99.78 per share.

The volume leaders of the

day were: Beximco Pharma (63500), Bata Shoe (20540), and Beximco Ltd (12600).



Trading at a glance

Company	change	Number
	(per share)	of shares
	Tk	traded
Islami Bank	200(G)	12
IDLC	7.22 (L)	680
United Leasing Co	58.82 (L)	220
1st ICB MF	51.30 (G)	115
2nd ICB MF	81.88 (L)	292
3rd ICB MF	5.00(L)	60
4th ICB MF	3.33(L)	50
5th ICB MF	5.90 (G)	350
6th ICB MF	11.16 (G)	2050
7th ICB MF	7.73(G)	3135
Afalt Automobiles	10.00(L)	40
Aziz Pipes	3.25 (G)	1385
Bengal Carbide	14.26 (G)	280
Bangladesh Lamps	99.78(L)	6165
Eastern Cables	18(L)	525
Karim Pipe	0.00	200
Munno Jute	0.00	10
Singer Bangladesh	8.14(G)	277
Atlas Bangladesh	24(L)	850
National Tubes	8.1(L)	1340
B Thai Aluminium	1.59 (G)	1220
Anam Sea Food	20.00 (L)	15
Apex Foods	26.32 (G)	210
Bengal Food	2.49 (G)	265
B Leaf Tobacco	10.00 (G)	25
Bangladesh Tobacco	5.00 (L)	100
Zeal Bangla	16 (G)	1550
Tulip Dairy	0.00	50
Chittagong Vegetable	0.05 (G)	170
Beximco Fisheries	0.54 (L)	1690
Meghna Shrimp	0.37 (G)	650
Raspit Food	9.23 (G)	150
AMCL Pran	9.49 (G)	4562
BOC Bangladesh	0.52 (G)	9050
Shine Pukur	3.22 (G)	1700
Asrifa Textile	0.26 (L)	1350
Stylecraft Ltd	40.00 (G)	10
Apex Spinning	5.58 (G)	120
Beximco Knitting	1.60 (G)	200
Dynamic Textile	5.37 (G)	780
Mithun Corporation	1.00 (L)	220
Delta Millers	.53 (L)	940

Chittagong Stock Exchange

Index increases

CHITTAGONG, Apr 24: The Chittagong Stock Exchange All Securities Price Index rose by 0.85 points to 403.23 today from Tuesday's 402.38, reports UNB.

A total of 15,400 securities valued at Tk 1,526,684.90 were traded at the country's second bourse.

Only eight issues, out of 70 listed securities, were active on the day. Of these, three issues gained and the five others incurred losses.

Market capitalization rose to Tk 27.75 billion from Tuesday's Tk 27.69 billion.

Day's Trading Performance

Company Names	Closing Rate	Previous Rate	Difference	No. of Securities Traded	Value in Taka
Beximco Denims	135.75	148.25	-12.50	100	23575.00
Padma Textile	326.50	390.00	-63.50	40	13060.00
Beximco Pharma	95.64	86.81	8.83	15000	1434600.00
Reckitt & Colman	210.00	250.00	-40.00	50	10500.00
Beximco Fisheries	155.00	157.00	-2.00	80	12400.00
CTG Cement	1568.33	1392.73	175.60	15	23524.95
Shine Pukur	78.00	78.17	-0.17		