

Govt storing up budget documents in Database

By Govinda Shil

The government is storing up last five years' budget documents into a computerised Database system which will later help analyse expenditure and revenue earning trends and other aspects of national budgets.

The whole budget process is also being developed with the help of computer technology under the project 'reforms in budgeting and expenditure control' (RIBEC). It will enable the government to allocate its resources in a more optimum way. RIBEC officials said.

The outcome of RIBEC, a British ODA and government of Bangladesh funded project, will also help upgrade the financial management capability of the government offices.

The 15 million dollar project became very important to the government when officials found that the project would help increase the transparency, accountability and ef-

iciency of the central and local level officials.

The manual process of preserving the budget documents is complicated and time consuming while the computerised data preservation is easy and more transparent. RIBEC officials added.

An ODA team is likely to visit Dhaka in August this year to review the ongoing RIBEC-2A project, said a source at the Ministry of Finance.

After evaluating and reviewing the works that have been done so far, the team might take a decision on whether the project should continue.

"We are expecting our performance will be positive and the project may be expanded after December 1996," said a project official.

RIBEC source said a 'Lame Duck' budget has been prepared for a two-month period which may be required if the formation of next government

is delayed.

A Financed Ministry official said a full-fledged budget has also been prepared for presentation in the next parliament session.

RIBEC officials said a new budget classification system is awaiting government's approval which will ensure accountability of the ministries and local governments involved in the budget-making.

The new classification is following an IMF outline, a standard procedure to preserve and demonstrate statistics, RIBEC officials said.

The new budgetary process did not include the issue of audit, which according to another project official, is quite important to make the government officials more accountable.

The audit would aim at resisting loopholes and misappropriation of public money, added the official added.

DHAKA SUNDAY, JUNE 23, 1996

2-week training course for Rangs executives opens

A two-week training course on salesmanship for the sales executives of Rangs Industries Limited was inaugurated by its Director, Rume Akhtar Hossain yesterday at Bangladesh Institute of Administration and Management (BIAM), says a press release.

Sponsored by Rapport Bangladesh Limited, 15 sales officers and sales executives are attending the course.

Inaugural session was addressed by Kutubuddin, General Manager, T Hassan, Regional Sales Manager of Rangs Industries Ltd and M Mosharrif Hossain, Managing Director, Rapport Bangladesh, who is working as the principal trainer of the course.

Rume Akhtar Hossain in his address advised the participants to be serious in the programme so that they could receive the best from the faculty.

It is expected that Abdur Rouf Choudhury, Chairman and Managing Director of Rangs Group will be present at the concluding session of the programme and distribute certificates to the participants as the chief guest in the certificate award ceremony.

What worries the leaders most is Santer's appeal for them to provide 1.25 billion dollars to finance trans-European road and rail projects and other job-creation schemes.

This proposal wins no awards, Dutch Prime Minister Wim Kok said of Santer's

brainchild. Kok told reporters the chances of Santer getting his money were "melting like snow before the sun."

Opposition to Santer's plan even united German Chancellor Helmut Kohl and British Prime Minister John Major, who usually take opposite views of the EU's role in national affairs.

Both the euro-enthusiastic Kohl and euro-skeptical Major agree fighting unemployment is best left to national governments.

Santer had insisted the struggle to get Europeans back to work must be the EU's top priority.

His plan also calls for closer coordination of economic policies, extra effort to tear down trade barriers, more flexible work hours and cuts in labour costs.

There was some joy for Santer, however. The commission, the EU executive body, announced that organizations

EU decision on single currency deferred

FLORENCE, Italy, June 22: European Union ministers meeting here on Friday agreed to defer outstanding decisions on the single currency to the next EU summit in Dublin in December. Economic Commissioner Yves-Thibault de Silguy said, reports AFP.

The commissioner added that the commission would put forward a formal project on the legal status of the Euro.

On Friday, the 15 EU member states reiterated their desire to adopt a single currency from January 1, 1999.

French President Jacques Chirac said the plan would help preserve Europe's traditionally strong welfare protection while promoting job creation.

Meanwhile French Finance Minister Jean Arthur said an informal council of finance ministers would be held in Ireland in the autumn to help pave the way for decisions by heads of state and government.

Questioned about the possible reintegration of the lira in the existing European exchange rate mechanism, Arthur reiterated that there are conditions to fulfil, "but he said he hoped that would happen as soon as possible."

BA-American Airlines deal

amounts to merger LONDON, June 22: British Airways and American Airlines disagree with the definition, but regulators said Friday their proposed partnership amounts to a merger that warrants further scrutiny, reports AP.

Now, the airlines must try to persuade fair trade officials that their far-reaching alliance won't stifle competition.

The airlines say they are not merging, because they are not exchanging any assets or equity stakes. But the finding from the Office of Fair Trading poses an additional hurdle to the world's biggest airline partnership.

Even if they find it is a merger, the big aspect is if it's anticompetitive and it isn't, said American Airlines spokeswoman Lizann Peppard in London.

American Airlines Chairman Robert L. Crandall and British Airways chief executive Bob Ayling contend they will provide better service to passengers and the deal will spark increased competition, leading to lower fares.

Rivals, including Virgin Atlantic Airways chairman Richard Branson, contend American and British Airways will gain dominance of key trans-Atlantic routes and they could gouge passengers with higher fares.

The American-British Airways combination would control about 60 per cent of the traffic between the United States and Britain, including 71 per cent of New York-London. Virgin has noted in the most dramatic case, American-British Airways will have a lock on 100 per cent of the Dallas-London market.

The Office of Fair Trading said it will study how the American-British Airways ties would affect competition in the British aviation business, and if the effects are big enough, whether further investigation is needed.

Jakarta govt urged to boost exports'

JAKARTA, June 22: The architect of Indonesia's economy has called on the government to boost exports to prevent foreign debt repayments from draining its revenues, reports said yesterday, reports AFP.

We have been given a red light in the form of our debt service ratio," Binsis Indonesia quoted Sumitro Joyohadikusumo as saying. "A third of the total value of our exports is being sucked away to make repayments on principal debt and interest."

Sumitro, a leading economist who helped shape the country's present structures, said the debt service ratio — a measure of debt in proportion to export revenues used for its repayment — stood at 32 per cent in the 1996-97 fiscal year, which began in April.

He noted the figure compares with 37.8 per cent line fiscal 1995-96, but insisted the figure should be cut to a more manageable 25 per cent, and this had to be done by increasing exports.

Indonesia's foreign debt stood at 100 billion dollars in 1995, up from 94.4 billion dollars in 1994.

Meanwhile, the World Bank-chaired Consultative Group for Indonesia (CGI), the country's largest donor group, on Thursday pledged 5.26 billion dollars in assistance for fiscal 1996/97. CGI pledged \$36 billion dollars for the previous fiscal year.

CGI comprises 18 creditor countries as well as the Kuwait Fund for Arab Economic Development, the Saudi Fund for Development, the Nordic Investment Bank and the Islamic Development Bank.

Poverty rate declines in South Asia

NEW DELHI, June 22: The quality of life of poor people has improved significantly in South Asia, but their number continues to rise, a World Bank report said Sunday, reports AP.

Infant mortality has dropped, more children are going to school and people are living longer, according to the report. Poverty Reduction and the World Bank: Progress and Challenges in the 1990s.

It said although the number of poor people in the region rose by about 35 million, the percentage of people earning less than one dollars a day fell to 45.1 per cent from 43.1 per cent, said the report, which was released in Washington and made available in New Delhi.

The lives of the poor, who mostly live in rural areas, could be improved through better education, health care, nutrition, clean water and family planning services, according to Joseph Wood, the bank's vice president for South Asia.

South Asia, home to one quarter of the world's population, is also one of the poorest regions, the report said.

The bank gave \$77 million dollars last year to South Asian nations to reduce poverty and improve living standards.

In India, it said more investment in health care, education and forestry had improved the quality of people in many states.

In Pakistan, projects to improve schools had benefited girls in rural and urban areas; family planning services had improved across the country and forestry projects had helped poor farmers.

In Bangladesh, the government planned to reduce malnutrition, focusing on women and children.

BIBM seminar tomorrow

Bangladesh Institute of Bank Management will hold a day-long seminar on "Islamic Banking" on Monday at the BIBM seminar hall, reports UNB.

BIBM Director General AHM Nurul Islam Chowdhury will inaugurate it at 10 am. Four papers on Islamic banking will be presented at the seminar, says a press release.

Experts in Islamic banking, university teachers and high officials of banks and financial institutions are expected to attend the seminar, said a press release.

The seminar is expected to be held on June 24.

2nd consultancy course at BPATC begins

SAVAR, June 22: The second consultancy and skill development course began at the Bangladesh Public Administration Training Centre here today, reports UNB.

Planning Commission Member Dr Gazi Shamsul Alam was the chief guest at the course, chaired by BPATC Rector A Z M Shamsul Alam.

Seventeen government officials are participating in the course, said a press release.

The 7th Team Building and Coordination course for field level officers also began at the centre today, BPATC Rector A Z M Shamsul Alam opened the course.

However, it said, recovery

of the DAEs will remain this year, but confidence and activity will recover to 5.5 per cent in 1997.

This could boost the DAEs current account deficit from seven billion dollars to 35 billion by the third year, according to this scenario, indicating that OECD countries, in particular Japan and the United States, would gain significantly from such a development.

The report said the current slowing of economic activity should help ease recent tightness in DAEs labour markets and so contribute to some deceleration in inflation rates, to less than five per cent on average.

Any "significant" further appreciation would imply that net exports in the region could be substantially lower in the short term, and the current account deficit... significantly larger," the report said.

Upward pressure might be intensified if interest rate spreads were to widen as a result of lower OECD rates — which might happen if OECD countries made more headway in cutting budget deficits.

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