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Air India cuts foreign office manpower by 25 pc

NEW DELHI, Nov 1: Air India has reduced its manpower employed in its foreign offices by 25 per cent and further reduction was on the cards next year, the Civil Aviation Minister, C. M Ibrahim, said yesterday, reports AFP.

Addressing the consultative committee of his Ministry here, Ibrahim said the national carrier will have two new Boeing 747-400 aircraft by November and would add Chicago and Zurich as new destinations by this year-end.

Ibrahim said AI was also introducing new flights connecting Madras-Hydrabad-Jeddah and Bangalore-Muscet-Dubai soon, an official release said.

Claiming that AI's on-time performance and load factors had improved considerably, the minister said the national carrier's management had been advised to take steps to reduce expenditure wherever feasible and increase revenue and yield.

The committee discussed several issues relating to AI. Members expressed concern over the limited number of aircraft with the national carrier and the number of destinations covered by it.

They also urged the government to expedite the purchase of AI's medium capacity Long Range (MCLR) purchase.

On the domestic front, the minister announced the winter schedule of the Indian Airlines and Alliance Air and said the two carriers had offered 14 per cent additional aircraft capacity.

Execution of \$300m Private Sector Infrastructure Dev Project

WB advocates for special purpose company

Eager to promote Bangladesh's infrastructures with private capital, the World Bank has advocated for a special purpose company to execute a 300-million US dollar project designed to generate investments from local and foreign entrepreneurs, reports UNB.

The proposal was given to the government by a mission of the International Development Association (IDA) which visited the country last month for the Private Sector Infrastructure Development Project (PSIDP).

The IDA, the soft-loan window of the World Bank, is likely to put a maximum amount of 150 million dollar in the PSIDP, the project to promote private power, ports, telecommunication and road project initiatives.

Rest of the amount for the project is expected from other multilateral and bilateral co-financing agencies, and for which considerable interest has been expressed by potential project sponsors and their finan-

cial advisers.

The present project schedule envisages PSIDP's readiness for lending by September next year.

The main objective of the financing component of the PSIDP is to overcome various financial constraints that currently exist in Bangladesh and it is viewed that those can be overcome by the provision of long-term subordinated debt arranged through multilateral sources.

The constraints include lack of sufficient debt financing for large infrastructure projects, inadequate maturity of available debt financing and the need to provide comfort for investors wishing to become involved in 'first time' projects.

After discussions on possible ways to structure the PSIDP, the World Bank has suggested that a special purpose company is formed under the Companies Act as the executing agency for the PSIDP and make loans to sub-project borrowers.

The company will enter into

an administration agreement with the government to administer the funds coming under the PSIDP umbrella.

The World Bank insisted that it is a necessary to have the company in place in order for the project to be appraised and the government should seek a technical assistance advance to finance the start-up expenses of the company.

Establishment of a 'Fund' as a government account in the Bangladesh Bank has also been proposed. The fund will be administered by the Company on behalf of the government and through which the project funds are to be made available.

A Fund Manager would be contracted to carry out the sub-project evaluation, negotiation, recommendation for approval, implementation monitoring and supervision on behalf of the Company.

To secure high quality candidates for the Fund Manager, the IDA Mission has suggested that international competitive

bidding should be resorted to. The selected firm should be a reputable international company that specializes in project evaluation and appraisals.

It noted that the critical elements for effective operation of the Company will be the independence of its Board to make decisions in line with commercial principles and the quality of the analysis and advice provided by the Fund Manager.

For achieving this, the Bank said it is necessary to ensure that the Company has a high calibre board of directors. A majority of the members on this Board should be drawn from the private sector and maintain some government representation.

Furthermore, it added, one or more persons on the Board should be infrastructure project finance experts of international repute, in order to ensure that the Board receives high quality advice and state-of-the-art expertise.

ADB lending will rise to \$300m in Bangladesh next year

ADB will increase its lending programme for Bangladesh to 300 million US dollar in the next year against five projects, reports BBS.

ADB is lending 255 million US dollar in Bangladesh this year against three projects.

The visiting Vice President of ADB, Bong-Suh Lee, assured the increased allocation for the next year while he made a call on Finance Minister Shah AMS Kibria at his ERD office on Thursday.

They discussed on minimising administrative and operational expenses of the government, present economic measures, economic reform programme and steps undertaken for attracting foreign investment in the country.

The finance minister informed the ADB vice president about the measures for macro economic stability of the government, need for increased power generation for more investment and government's determination for a corruption free efficient administration in the country.

Kibria appreciated continued support of ADB for development

of urban and rural infrastructure and the bank's efforts in coordinating with the donors for assistance in power sector and Bangladesh Rail-way.

ERD secretary and resident representative of ADB were present on the occasion.

Former Japanese bank employee nabbed for embezzlement

TOKYO, Nov 1: Police on Friday arrested a former employee of a regional Japanese bank who was suspected of embezzling 3.4 billion yen (30 million dollars), says AP.

Toshiaki Washida, 47, was taken into custody early Friday in the western city of Otsu, a spokesman for the Shiga prefectural police, said Friday.

The spokesman, who would only identify himself by his surname of Nishimura, said Washida was arrested on suspicion of embezzling 45 million yen (395,000 dollars) in August of last year.

Lanka hopes to promote tea as health drink

COLOMBO, Nov 1: Sri Lanka, the world's leading tea exporter, hopes to promote tea as a health drink in its drive to capture a larger share of the multi-million dollar beverage market, officials and experts said, reports Reuter.

Today the world is going green, tea expert Maxwell Fernando, author of a new book on trading in Ceylon tea, has said, people are looking forward to health drinks, there's nothing more amiable to the public than tea, he said.

The Director-General of the Sri Lanka Tea Board, Ranjith Malligapase, recently said tea needs to discard its staid image and use the sort of snappy marketing techniques that make soft drinks attractive to younger consumers.

He told an Asia tea industry conference in Singapore that it was vital to develop a new image and new markets for tea because global output is rising while consumption has been stagnant.

The conference even called from industry leaders for big tea producers like Sri Lanka to restrict exports to boost prices because of stagnant demand.

The world's tea crop in 1994 was 1.4 million tonnes while consumption was 1.70 million tonnes, according to the UN's Food and Agriculture Organisation (FAO). The crop is forecast to reach 2.81 million tonnes by 2005.

Sri Lanka's tea exports are expected to hit a record 250 million kg this calendar year.

KL to challenge Washington's sanction threat

KUALA LUMPUR, Nov 1: Malaysia, whose state oil company faces US sanctions for investing in Iran, will challenge Washington's threat in international forums, a senior minister was quoted as saying on Friday, reports Reuter.

The country will make its stand at both the Asia Pacific Economic Cooperation and World Trade Organisation meeting to be held later this year, the Business Times newspaper quoted International Trade and Industry Minister Rafiah Aziz as saying.

The newspaper quoted the minister as saying that the United States does not have extra-territorial jurisdiction to impose its laws on other countries.

"We regret that the US has taken steps to act against third countries which are operating in countries in which it has a negative stand," Rafiah told reporters after an official functioning Kuala Lumpur on Thursday.

Prime Minister Mahathir Mohamad said on Thursday that Malaysia intends to proceed with a deal to buy a stake in two Iranian oil fields despite the sanctions threat.

"We will go on (with the deal), Mahathir told reporters. "We are a sovereign nation. We will not submit to what the US dictates to us."



Asian Development Bank Vice President Bong Suh Lee called on Prime Minister Sheikh Hasina at the Ganabhaban in the city on Thursday. — PID photo

Chinese businessmen keen to boost trade with Bangladesh

During discussions, representatives of the Chinese Export Commodities Fair told a delegation of the Dhaka Chamber of Commerce and Industry that they were interested to further develop trade as well as other relationship with Bangladesh, reports BBS.

The DCCI trade and investment delegation, now in China, visited Chinese Export Commodities Fair at Guangzhou on Sunday.

Welcoming the delegation, Zhong Yue Guang, Deputy Director of General Office of the Chinese Export Commodities Fair, said that the Chinese Export Commodities Fair is holding its 80th session this autumn. As many as 100,000 types of commodities are on display — basically representing China's best in her industry, agriculture, de-

velopment and application of science and technology. Ten billion US dollar deal is expected in the fair. Zhong told the delegation, according to a message received in the city yesterday.

DCCI delegation leader Mahbubuzzaman said the present trade balance between Bangladesh and China is in favour of China, so DCCI is eager to expand trade and investment ties.

In this context, the delegation leader urged Chinese businessmen to visit Bangladesh to see the facilities and incentives now available in trade and investments.

The DCCI leader categorically mentioned that Bangladesh is, no doubt, an ideal venue for investments and the government is also ready to provide all sorts of support and cooperation to the investors.

He urged the Chinese business community to develop China town in Bangladesh through business as they did in other countries.

Among others Fang Rong, Division Director of the Ministry of Foreign Trade and Economic Cooperation of China, was also present in the discussion.

Special discount on Sony products

Rangs Electronics Ltd, the sole distributor of Sony in Bangladesh, has taken a special programme for its customers in observance of 50th years of Sony, says a press release.

As a part of the programme, a special discount on Sony products and attractive prizes will be given for three weeks only beginning from November 2. This offer will be available with countrywide sales and centres of Rangs Electronics Ltd, and its authorized dealers.

Moreover, Sony Membership Discount Card will be given to those customers who will purchase Sony products of at least Taka 20,000.00 (Taka Twenty thousand) or more in a single purchase.

The holder of Sony Membership Discount Card will get special price for Sony products for one year. Rangs Electronics Ltd, sale and service centres will remain open on Fridays during this special programme.

18 countries elected to ECOSOC for three yrs

UNITED NATIONS, Nov 1: Eighteen countries were elected on Thursday to the 54-member Economic and Social Council (ECOSOC) for three-year terms beginning Jan. 1, 1997, reports Reuter.

ECOSOC is the principal UN organ which coordinates the economic and social work of the world organisation and its specialised agencies.

Elected with the required two-thirds majority of countries voting were: Cape Verde, Chile, Cuba, Djibouti, El Salvador, France, Gambia, Germany, Iceland, Japan, Latvia, Mexico, Mozambique, South Korea, Spain, Sri Lanka, Turkey and Zambia.

Chile, France, Germany and Japan were among the 18 countries whose current terms on ECOSOC expire at the end of this year but were eligible for re-election.

The hardest-fought contests were among the Asian group of states, seven of which were vying for three seats.

Japan was elected on the first ballot with 127 votes, South Korea on the second with 128 votes and Sri Lanka on the fourth ballot with 112 votes. Unsuccessful were Indonesia, Papua New Guinea, Syria and Vietnam.

Pak-IMF deal on resumption of \$600m standby loan

ISLAMABAD, Nov 1: An International Monetary Fund official said on Wednesday a deal had been struck with Pakistan that would allow the Fund to reactivate a stalled 600 million dollars standby loan, reports Reuter.

Agreement has been reached on all policy matters between the visiting mission of International Monetary Fund and the government of Pakistan on stabilisation and reform programme," the IMF's Resident Representative said in a statement.

The representative, Shamsuddin Tareq, said the agreement was based on measures announced by the government on October 22.

The stabilisation package included devaluation of the rupee by 7.86 per cent against the dollar, spending cuts, new taxes and a 10 per cent increase in oil product prices.

"This will form the basis for the mission's recommendations to reactivate the standby agreement and would trigger immediate resumption of financial support by the fund to Pakistan," the statement said.

The IMF has withheld two tranches, due in June and September, of a 600 million dollars standby loan provided to Pakistan in December last year to help avert a foreign exchange crisis.

The fund was unhappy with Pakistan's repeated failures to meet many of its agreed targets and was not convinced its budget for fiscal 1996/97 (July

June) would effectively cut yawning fiscal and current account deficits.

Sources close to the IMF mission said the fund was likely to agree quickly to release both delayed tranches, worth about 80 million dollars each, but could not say exactly when this would happen.

Pakistan promised under the original standby agreement to cut its budget deficit to 4.6 per cent of gross domestic product in 1995/96 from 5.5 per cent in 1994/95.

Dollar higher in New York

NEW YORK, Nov 1: The dollar rallied Thursday, deriving strength from a sell-off in the Swiss franc and renewed optimism about the prospects for Europe's planned single currency, which weakened the German mark, reports AP.

The dollar also was helped as traders sold the pound to lock in profits from the British currency's strength a day earlier, when a surprise increase in British interest rates sent sterling to the highest level in 19 months.

In late New York trading, the dollar cost 114.05 yen, up from 113.94 Wednesday. The dollar cost 1.5178 marks, up from 1.5109. The pound cost 1.6280 dollars, down from 1.6337 dollars.

The Swiss franc is one of the world's most stable currencies. But it began to weaken after senior Swiss finance officials reiterated their view that the franc remains overvalued despite the Swiss National Bank's reduction of interest rates last month to the lowest levels in nearly 20 years.

The high cost of the Swiss franc is hurting Switzerland's economy by making its exports more expensive. But low interest rates in Switzerland have failed to lessen the currency's attraction for global investors seeking a safe haven for their money.

Switzerland's finance minister, Kaspar Villiger, said after a conference in Zurich that the franc was likely to fall. Georg Rich, in an interview in the weekly Swiss newspaper Handelszeitung, said the franc's strength was aggravating Switzerland's economic weakness. Traders purchased marks and dollars in response, boosting their relative to the franc.

"We just rocketed higher," said Ben Strauss, a trader at the New York branch of Bank Julius Baer and Co. "We had a continuation of the jawboning from central bank ministers in Switzerland that the Swiss is overvalued."

Government of the People's Republic of Bangladesh
Office of the Executive Engineer, R&H
Road Division, Bagerhat
Telephone: 485

R&H, Fresh Quotation 3rd Call Notice

Quotations are invited from this office approved 'A' to 'E' class contractors & intending individuals of experienced lessees having financial capability for leasing out for toll collection of Munshiganj Ferry ghat under Road Division, Bagerhat for financial years 1996-97 & 1997-98. Quotations under sealed cover superscribing name of work should be deposited in the tender box kept at the office of the Additional Chief Engineer, R&H, Khulna Zone, Sarak Bhaban, Boyra, Khulna/Superintending Engineer, R&H, Monitoring & Evaluation Circle, Sarak Bhaban, Ramna, Dhaka/Superintending Engineer, R&H, Road Circle, Sarak Bhaban, Boyra, Khulna/Executive Engineer, R&H, Road Division, Khulna/Satkhira/Bagerhat by 12-00 Noon of 12-11-96. The quotations in sealed condition will be collected from the respective offices & opened by the undersigned on 16-11-96 at 12:30 PM before the quotators present.

Quotation notice, schedule terms & conditions etc can be purchased on cash payment of Tk 250/= (two hundred fifty) only (non-refundable) per schedule for Munshiganj ghat from the office of the Executive Engineer, R&H, planning (Road & Bridge) Division, Sarak Bhaban, Ramna, Dhaka/Planning & Drawing Division, Sarak Bhaban, Boyra, Khulna/Road Division, Khulna/Satkhira/Bagerhat & Sub-Divisional Engineer (R&H), Road Sub-Division-1/2/1st Line Workshop Sub-Division, Bagerhat on all working days during office hours except on Friday & Govt holiday. No form will be sold on the date of receiving quotation. Taka 10,000/= (ten thousand) only (refundable) should be submitted in the form of BD/CD in favour of the undersigned.

Md. Habibur Rahman
Executive Engineer, R&H, (CR)
Road Division, Bagerhat

Violation of forex laws

Two more ex-officials of Indian Tobacco held

NEW DELHI, Nov 1: Two former heads of Indian Tobacco Company (ITC) Ltd. have been arrested for alleged violation of foreign exchange laws, taking the total number of arrests to six, officials said Friday, reports AFP.

KL Chugh and JN Sapru, both former chairmen, were taken into custody late Thursday in the eastern city of Calcutta after they were interrogated for 12 hours by federal detectives, the Press Trust of India reported.

They were kept overnight in a police cell and are due to appear in court Friday, PTI said.

Sapru was chairman between 1991 and 1992, while Chugh headed ITC from 1993 to 1995 before handing over to present Chairman YC Deveshwar, who has also been questioned over the alleged fraud.

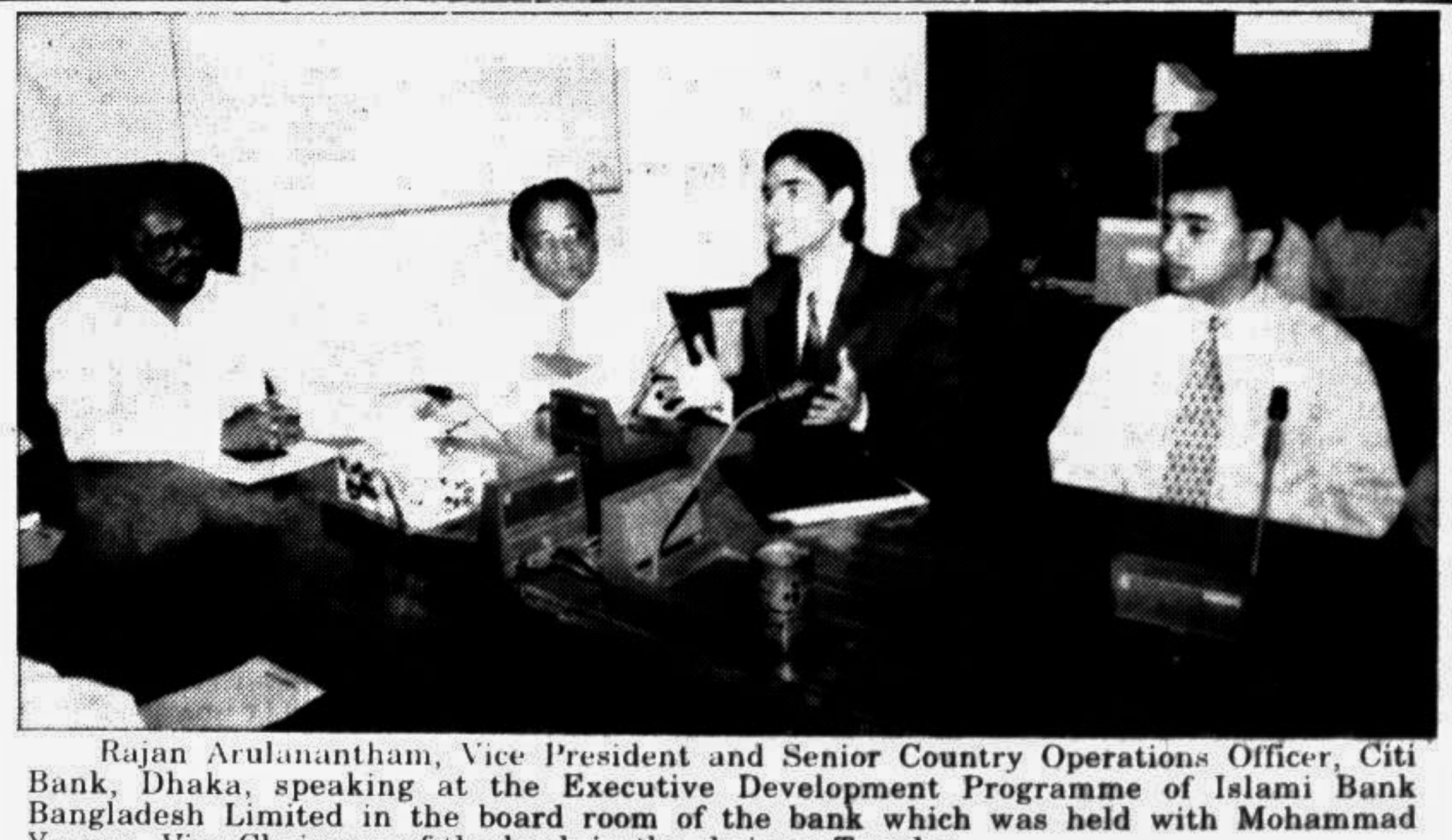
The government's enforcement directorate, which investigates economic crimes, has accused the company of breaching foreign currency laws to the tune of 100 million dollars.

Earlier, the directorate arrested four ITC officials, including GPK Reddy, RK Kutty, RB Ravindranath and MB Rao, and sent them to jail until November 13 after a court rejected their appeal for bail.

Reddy, who headed ITC's international business division, allegedly confessed during interrogation that more than four million dollars earned abroad were not repatriated by the company to India to avoid tax.

The arrests followed nationwide raids by detectives on ITC offices and houses of company officials following an internal audit by Lovelock and Lewes which spotted the foreign exchange violations.

Rajan Arulanantham, Vice President and Senior Country Operations Officer, Citi Bank, Dhaka, speaking at the Executive Development Programme of Islami Bank Bangladesh Limited in the board room of the bank which was held with Mohammad Yunus, Vice Chairman of the bank in the chair on Tuesday.



Biman BANGLADESH AIRLINES

Tender Notice

No. 18/96-97

Ref: DACPI/26/96-97/202 Dated: 20.10.96

Sealed tenders are hereby invited by Biman Bangladesh Airlines from interested Manufacturers/Distributors/Suppliers for the supply of any or all the items mentioned below as per details/specifications mentioned in the schedule:-

01. Mango Wood (Different Size) - 804 CFT
02. Computer Paper Plain (1part) - 1,20,000 Sheet.
03. Duplicating Paper White - 2,500 RMS
04. Umbrella - 11,902 PCS
05. Ehram Belt - 15,000 PC
06. Tyre & Tube with Flap - 40 set

Tender schedule mentioning full details/specification of items, terms and conditions will be available from the accounts Officer, Cash Payment Unit of Finance Directorate, Admin Building, ZIA, Dhaka and Asstt. Manager (Cash & Banking), Biman, Motijheel, Dhaka on payment of Tk 100/=(Taka one hundred) per set (for each group) (Non-refundable) by applying self letter head pad during any working day upto 16.11.96.

Sealed tenders should be dropped in the tender box kept in Local Purchase Section, Stores & Purchase Directorate, Biman, ZIA, Dhaka and Biman Head Office Reception Counter, Biman Bhaban, Motijheel, Dhaka latest by 11:30 (BST) on 17.11.96 and will be opened on the same day at 14:00 hours at the premises of Stores & Purchase Directorate, Admin Building, ZIA, Dhaka in presence of the tenderers (if any).

Biman Management reserve the right to increase or decrease the quantity in the items and can accept or reject any or all the tenders without assigning any reason whatsoever.

Mohammad Yousuf Harun
DFFP-24230-26/10 Dy General Manager (S & P) Commercial
G-1407 Stores & Purchase Directorate