

Donors pledge to speed up \$10b package for S Korean economy

WASHINGTON, Dec 25: The International Monetary Fund (IMF), the United States and 12 other nations on Wednesday pledged to speed 10 billion dollars in bailout money to South Korea to support its embattled economy, reports Reuters.

But for Seoul to recover, they said it was critical that international commercial banks agree to a "significant" debt rescheduling to aid ailing Korean financial institutions.

The IMF said in a statement that it would make two billion dollars available to South Korea on December 30 from the 21 billion dollars it had already set aside for the financially troubled country. The IMF plans to dollar out another two billion dollars to Seoul on January 8.

The United States, Japan, France, Germany, Britain, Canada, Italy, Australia, Belgium, the Netherlands, New Zealand, Sweden and Switzerland said they would hand over eight billion dollars to South Korea by early January.

The eight billion dollars is part of 24 billion dollars those countries had already pledged,

but was previously expected to be used only as a last resort. The United States said it would chip in 1.7 billion dollars. Tokyo's contribution will be 3.33 billion dollars. Britain said it would provide more than 400 million dollars.

"This is a major world event and they have made extraordinary efforts," US Treasury Secretary Robert Rubin said of Seoul's newly-elected government. "It seemed appropriate for the (Group of Seven) industrial countries and other nations involved in the second line of defense to move their aid effort forward, he added.

South Korea turned reluctantly to the international community for help last month as its financial system crumbled under the strain of ADB loans and a weakening currency.

The nearly 60 billion dollars rescue package that the IMF put together, even bigger than a US-led international bailout for Mexico in 1995, was the third multibillion-dollar loan masterminded by the fund this year. The IMF has also led costly

bailout programmes for Thailand and Indonesia.

At a briefing for reporters on Wednesday, Rubin defended his decision to let Seoul draw on what was expected to be a second line of defense. He said the disbursements were needed because South Korean stability was "critically important" to US economic and national security interests.

South Korea already has taken significant steps to one up its economy and to reform its management, and it was fitting for its trading partners to take an extra step to speed the effort, Rubin said.

Finance Minister Lim Chang-Yue said earlier in Seoul that South Korea had agreed to several fresh reforms in exchange for the swift aid — opening capital markets much quicker, and allowing foreign banks and security firms to open wholly-owned subsidiaries.

South Korea's inability to get lenders to roll over short-term debt has been at the heart of the crisis. About 15 billion dollars of an estimated 100 billion dollars in short-term debt was

coming due this month and another 15 billion dollars next month.

Lim said Seoul was in talks with commercial banks about possible debt rollovers. He said, he was also discussing "the possibility of access to market borrowing in early 1998."

In a briefing in Washington, senior IMF officials said they expected major commercial banks to agree to a "significant" increase in debt rollovers or maturity extensions.

"The commercial banks have to do their part," said one IMF official, who asked not to be identified. "This is to be done on a voluntary basis. We expect that will be done."

Japanese officials said the rolling-over of existing loans by private banks to South Korea would be a precondition for support by donor countries.

In a joint statement released in New York, six top US banks said they may provide supplemental funding to help South Korea. The banks said they planned to meet early next week to discuss "how such funding can be mobilized expeditiously."

Eight reform measures

WASHINGTON, Dec 25: The following is an excerpted version of a letter of intent spelling out South Korea's commitments to economic reform, reports AFP.

The letter sent to International Monetary Fund Managing Director Michel Camdessus, was dated December 24 and signed by Kyung-Shik Lee, governor of the Bank of Korea, and Changyel Lim, Finance Minister.

It was drafted to accompany an IMF announcement here on Wednesday that the fund would speed up disbursement of aid to South Korea through a two-billion-dollar loan available December 30.

Monetary policy — to restore order in the foreign exchange market and provide appropriate incentives for holding won-denominated assets, interest rates have been raised substantially, reaching about 30 per cent on December 24.

Capital market opening — the government will lift all capital account restrictions on foreign investors access to the government, corporate and special bond markets as of January 1, 1998.

Financial sector restructuring — the government is developing an implementing a comprehensive restructuring plan for the financial sector

that will include the merger and closure of insolvent institutions.

Reserve management and exchange rate policy — we have taken further measures to reduce recourse of banks to the BOK (Bank of Korea) to cover their debt service obligations including a further substantial increase in the penalty rate of BOK loans to commercial banks.

Trade policy — we will accelerate measures to open the economy to imports and eliminate trade related subsidies in order to increase competition and efficiency in the domestic economy.

Labour market policies — while the programme to minimize the inevitable slowdown in economic growth, we will aim to facilitate the necessary movement of workers from declining firms to other employment opportunities.

Fiscal policy — the initial fiscal adjustment of the programme will be maintained despite higher costs to the government associated with the larger depreciation of the won and with financial sector restructuring.

Data publication — we intend to publish periodically, after completion of preparatory work data on total external debt and its relevant components.

Coming AGMs					
Company	Book Closure	AGM/EGM	Date	Venue & Time	Dividend Proposed
Atlas 80 Ltd	15/12/97-28/12/97	AGM	28/12/97	Regi Office, 265-267, Tangi UA 11am	150
Atlas Auto Ltd	01/12/97-28/12/97	AGM	28/12/97	Shroo Academy Auditorium 10:30am	12
Apex Terminals Ltd	08/12/97-28/12/97	AGM	28/12/97	Factory Pte Unit-2, Shalpur, Kalaibar, Gachpur 12 Noon	25
Eastern Housing Ltd	01/12/97-28/12/97	AGM	28/12/97	Millon Project East Housing Ltd Gachpur 11:30 am	16
Eagle Star Text Ltd	01/12/97-24/12/97	AGM	24/12/97	Metropole Chamber Nur Ahmad, Room Cg 3 pm	5
Sajid Mill & Gar Ltd	08/12/97-24/12/97	AGM	24/12/97	Factory Pte Khatib, Fatahat, Mgrj 11am	6
Therapeutics Ltd	07/12/97-15/12/97	AGM	24/12/97	Factory: Kampana, Saver 10:30 am	12.50
HR Text Ltd	04/12/97-24/12/97	AGM	24/12/97	Regi Office UA, Purana Pallan, Dhaka 10:30 am	—
Yusuf Flour Mill Ltd	10/12/97-24/12/97	AGM	24/12/97	Regi Office 19, Okhaha, Dhaka 2 pm	10
Almaz Text Ltd	20/12/97-24/12/97	AGM	24/12/97	Mill Pte: Fatahat, Khatib 11 am	—
Perwick Jaj Ltd	18/12/97-28/12/97	AGM	28/12/97	—	18.5
Atlas Ind Ltd	—	—	24/12/97	—	—
Datta Millers Ltd	15/12/97-30/12/97	AGM	30/12/97	—	—
Tangipada Text Ltd	15/12/97-30/12/97	AGM	30/12/97	—	—
BCCL (Dab)	15/12/97-31/12/97	AGM	(Half yearly interest)	—	—
Arhat Text Ltd	14/12/97-28/12/97	AGM	28/12/97	Factory Pte: Ahabad, Tangi 3:30pm	15
Inam Broom Ltd	14/12/97-24/12/97	AGM	24/12/97	Hotel Agrabad, Agrabad, Cg 10:30 am	10
Karim Pipe	11/12/97-24/12/97	AGM	24/12/97	Factory Pte: 74-75, Fatahat UA, Patahat, Cg 11:00 am	—

Note: Nf=No trading, (F)=Final dividend, (I)=Interim dividend, (D)=Ex-dividend, (A)=Accountant Letter, (B)=Bonus, (R)=Right Share, (X)=Ex-Right, (P)=Face Value, (M)=Market Lot, (N)=Not Listed, (X)=Ex-Interest, The Exchange is not responsible or liable for any inadvertent error or omission in printing the rate though every care is taken to ensure accuracy.

India hikes diesel price

NEW DELHI, Dec 25: The Indian government on Wednesday hiked the price of diesel by around one per cent following the rupee's fall against the dollar, officials said, reports AFP.

An official statement said the diesel price for a litre was hiked by 10 paise (well under one US cent) in New Delhi and Calcutta and by 11 paise per litre in Bombay and Madras.

The change followed a new policy under which petroleum prices are revised every month on the basis of international trends.

No further details were available. The prices of other petroleum products were not affected.

A government official said the latest hike, which will go into effect from midnight Wednesday, followed the steady decline of the rupee, which now stands almost 40 to a dollar.

The rupee has lost more than 10 per cent against the dollar since mid-September due to domestic turmoil, which saw the collapse of India's coalition government last month, and turbulence in Asian markets.



Thai Airways International operated with B 747 Freighter on Tuesday to clear backlog cargo from Bangkok and Dhaka. Picture shows airport staff along with Cargo Manager Md Ataulah (3rd from left) and Station Manager Zahir Karim (left).

Mahathir to Malaysians Get prepared for worst economic crisis

KUALA LUMPUR, Dec 25: Malaysian premier Mahathir Mohamad yesterday stressed the need for Malaysians to prepare for the worst in the country's economic crisis, reports AFP.

"We are fortunate because the economic problem that we are facing is not too severe. However, the people must be prepared for any eventuality," the prime minister was quoted as saying by Bernama news agency.

In a Christmas message to Malaysians of Christian faith, Mahathir said people must sacrifice and step up efficiency and productivity to maintain the country's competitive edge.

He said consumers must save, avoid wastage and only buy essential goods.

Pakistan decides to protect local car industry

ISLAMABAD, Dec 25: The Pakistani government decided yesterday to provide full protection to the local car industry, reports Xinhua.

The decision was made here at a cabinet meeting chaired by Prime Minister Nawaz Sharif, said a report of the official Associated Press of Pakistan (APP).

The meeting reviewed the performance of the country's car industry and was briefed by local car manufacturers on the problems facing the industry.

Sharif asked the car manufacturers to suggest measures for reducing the prices of locally manufactured cars to make them affordable to the general public.

The car manufacturers were also asked to suggest measures to encourage export of Pakistani cars.

The meeting also decided to form a committee to draw up a comprehensive and long-term policy in order to strengthen the local industry and stop the smuggling of cars.

Once the fount of fortunes, now hurdles for economic future

By Leon Barkho, AP writer

KIRKUK, Iraq, Dec 25: Heaps of scrap steel, rusting machinery and disused vehicles dot the Kirkuk oil field at the base of the Himrin Mountains where crude first gushed out in huge quantities 70 years ago.

A boom town whose oil wells were once the fount of Iraq's wealth and the lifeblood of its economy, Kirkuk today is down on its knees.

Few of its installations escaped damage during the 42-day air and missile blitz by US-led forces during the 1991 Gulf War, adding to the destruction caused by warplanes during the 1980-88 war with neighbouring Iran.

Seven years of UN economic sanctions dealt more crippling blows. The embargo bars Iraq from exporting oil, draining its treasury and leaving little money for maintaining pumping stations.

Kirkuk also is involved in Iraq's political turmoil. Kurds want it included in the autonomous area carved out by US-led allies after the Gulf War to protect minority Kurds from

Iraqi forces. It also is home to Turkoman and Arab settlers sent by the government to dilute the Kurdish population.

Kirkuk's future is uncertain — the dilapidated facilities are a constant reminder of the colossal task that Iraq will face to whip its oil industry back into shape when the United Nations lifts the oil embargo.

That won't happen soon: not until President Saddam Hussein's government and the United Nations resolve their contentious dispute over dismantling Iraq's weapons of mass destruction.

Kirkuk's installations were nationalized in 1972 when the Iraqi government took them over from Western companies, mainly British Petroleum, which had exploited Iraq's oil for four decades. Some parts of the British-built complex — red-brick bungalows, clipped trees and tennis courts — still resemble an English township.

Kirkuk contains one-third of Iraq's reserves of 112 billion

barrels of oil, according to government figures. But of Kirkuk's approximately 1,000 oil wells, only a few hundred are operational, said Fahad Ahmad, the complex's chief geologist.

"Most of the installations are damaged. A lot of production potential has not been utilized," he told The Associated Press during a government tour to highlight the plight of the Kirkuk complex.

In its heyday, Kirkuk's oil field — 255 kilometers (160 miles) north of the capital, Baghdad — produced about 1.7 million barrels a day, just over half of Iraq's OPEC quota of 3.14 million barrels.

Ahmed said investments worth millions of dollars will be needed to reach that target again.

Iraq's oil revenue in 1989, a year before Iraq invaded Kuwait and set off the Gulf crisis, was 14.5 billion dollars according to UN statistics. Then, Iraq was one of the richest Arab nations; now, it is one of the poorest

thanks to the economic sanctions.

Iraq repaired some facilities in Kirkuk soon after the war, and resumed production, about 450,000 barrels a day for domestic use and 90,000 barrels for sale to neighbouring Jordan under a special UN exemption from the oil embargo.

The sanctions were further eased last year when Iraq was allowed to sell two billion dollars worth of oil every six months to buy food and other humanitarian goods.

Under the deal, Iraq must export the largest portion of its oil production through a twin pipeline from Kirkuk to Ceyhan, Turkey, and the remainder through its terminals in the Gulf.

Yassin Shafeeq, director of the Iraq-Turkey pipeline network, said an average of 850,000 barrels per day was pumped from Kirkuk to international markets during the second, six-month phase which ended December 5.

Asia's economic meltdown dominates the year '97

LONDON, Dec 25: Asia's economic meltdown has dominated one of the most dramatic years the economic and business world has seen in recent times — putting even the biggest company acquisitions in the shade, reports Reuters.

Since the heady days of spring when stock markets around the world were ticking off records on an almost daily basis, one Asian crisis after another has grabbed the headlines.

"Sell Asia" became the battle-cry among foreign investors as speculative attacks on the currencies of the Asian tigers wrought havoc among states more used to receiving plaudits for their economic miracle.

First Thailand, then Indonesia and South Korea were forced to swallow their pride and go cap in hand to the International Monetary Fund.

Asia's troubles helped trigger a global stock market slide at the end of October — nearly coinciding with the 10th anniversary of the 1987 crash. Then Brazil and Russia wobbled as the contagion spawned among the Asian tigers threatened to infect other emerging economies.

Outside the intensive care ward operated by the IMF, however, the corporate world saw some of the biggest mergers and acquisitions in history.

Europe's dream of monetary union at least looked unstoppable barring unforeseen disaster.

And some economists even talked about a new economic paradigm — an era in which the dream of sustained high growth

and low inflation might be achieved by harnessing technological change.

ASIA'S ANNUS HORRIBILIS

Asia could be forgiven for looking back on 1997 as its annus horribilis — as Britain's Queen Elizabeth termed a particularly difficult year for the British monarchy in 1992.

South Korea's woes in the past few weeks have capped a year of roller-coaster fortunes in Asia that at one point saw stock markets like Hong Kong hitting record highs.

After repeated attacks on the Korean currency, the won, that destabilised banks, Seoul was forced to go the IMF at the start of December for 57 billion dollar in emergency assistance.

Some analysts questioned whether even that would be enough to solve South Korea's problems and veteran politician Kim Dae-Jung waned Koreans of more hard times ahead when he won victory in December's presidential election.

US and European economists worried about the impact of the tigers' problems on their own companies and exports. But the collapse of Japan's fourth largest brokerage, Yamaichi Securities, and a slide in share prices and the yen involved the possibility of an even greater nightmare — a global meltdown triggered by Tokyo.

There will not be a world panic sparked by Japan, Prime Minister Ryutaro Hashimoto pledged after meeting Southeast Asian leaders in Kuala Lumpur

in December before going home to launch a new round of economic stimulus measures.

Politicians and analysts welcomed Asia's efforts to try to restore stability and some fund managers even asked whether it was time to go back into newly cheap Southeast Asian markets.

STRATEGISTS SEE LONG HAUL FOR ASIAN STOCKS

Most strategists in a Reuters poll said Asian stock markets were likely to claw back losses during 1998 and 1999 but would not finally emerge from the doldrums before the new millennium.

The powerful head of the US Federal Reserve, Alan Greenspan, whose pronouncements have frequently convulsed markets, saw some benefits for the United States from October's stock shakeout.

The central banker who warned a year ago of "irrational exuberance" on Wall Street, said the stocks turmoil that saw the Dow plunge in October could be a healthy tonic for the US economy.

But by December the Dow Jones Industrial Average was back within sight of the levels it saw before October's slump and many others of the world's biggest stock markets had rebounded too.

Greenspan continued to warn, however, that despite talk of a new paradigm, inflation was not dead and that the ever tightening US labour market was storing up wage pressures.

European Union leaders faced the opposite problems of what to do with a growing band of unemployed. With 18 million people out of a job, they pledged themselves in November to a package of measures aimed at finding new ways of getting people back to work.

CORPORATE YEAR MARKED BY MEGA-MERGERS

The market turbulence seemed to do little to stem a year of furious deal-making among companies on both sides of the Atlantic.

Even before the year was out, corporate mergers and acquisitions worth more than 800 billion dollar had already been announced in the United States — easily surpassing the 1996 record of 649 billion dollar.

Top of the list was Worldcom's 35.91 billion dollar bid for MCI communications.

Worldcom's record bid for its fellow US Telecoms company thwarted the dreams of British Telecom of linking up with MCI in its bid to become a truly global operator.

In Europe, two Swiss banks Union Bank of Switzerland and Swiss Bank Corp. announced in December they were merging to create the world's second biggest bank and top fund manager with a portfolio of almost one trillion dollars.

Some US academics called the record-breaking wave of US mergers the result of fear, big bankrolls and the desire of companies to position themselves for the next leap in tech-

nology.

The big technology challenge was without doubt the millennium bug — the inability of many computers to distinguish between the years 1900 and 2000.

Estimates of how to prevent computer systems crashing as clock tick over into the new millennium continued to soar.

Computer experts said the threat ranked right up with Asia's economic troubles, and one study put the cost of tackling the problem at up to 280 billion dollars.

European institutions have added headache of gearing up their systems to handle the Euro — the new common currency that some members of the European Union are due to adopt with the launch of monetary and economic union (EMU) in January 1999.

Only six months ago, the prospects for a timely launch of monetary union still looked questionable. But with the approach of next year's key decision on which EU nations will qualify, analysts said it was difficult to see what could hold it back.

Finally, in a year of ups and down, spare although for the embarrassment of Germany's industrial powerhouse Daimler-Benz AG and its Mercedes car company.

First its revolutionary new a-class Mercedes tipped over during tests designed to simulate the sudden turns needed to avoid wild elk. Then its new two-seater smart car did the same sending engineers back to the drawing board.

Tender Notice

Tender Notice No. 02

1. Three copies of sealed quotation/tender are hereby invited from traders/suppliers/manufacturers by Headquarters, 46 Independent Infantry Brigade, Dhaka Cantonment for the purchase of following physical fitness instruments/equipments mentioning price separately for all types, period of warranty with specification/configuration:

- One way Jogger Manual.
- Rowing machine.
- Stepper with twister.
- Exercise cycle.
- Magnetic cycle with Computer.
- Sit up bench.
- Horse rider.
- AB Rocker.
- AB Master.
- Air Walker.
- Home gym.
- Exercise mat.

2. Sealed tenders will be received in tender box placed in Headquarters, 46 Independent Infantry Brigade, Dhaka Cantonment up to 1400 hours on 04 January '98 and will be opened at 1000 hours on 05 January '98.

3. Any tender may be rejected/accepted without showing any cause by the authority.

ISPR/Army/97/1036
DPP-28806-21/12/97
G-3182

Commander
46 Independent Infantry Brigade
Dhaka Cantonment

Directorate General Defence Purchase

Ministry of Defence
New Airport Road
Tejgaon, Dhaka-1215

Tender Notice

1. Sealed tenders in foreign currency are invited from bonafide Manufacturers/Dealers/Indentors (Not necessarily enlisted with this Directorate General) for supply of the following items for Bangladesh Navy.

S. No.	Description of Stores & Qty	Tender Selling Date		Tender Opening Date & Tender No
		From	To	
a.	Electric Hand Sanding Machine/Orbital Sander Qty-05 Complete Set	30-12-97	9-2-98	10-2-98 (5452)
b.	Fuel & Lub Oil Transfer Pump Qty-03 in Nos	30-12-97	26-1-98	27-1-98 (5336) (Re-Tender)
c.	High Vacuum Pump Qty-04 in Nos	30-12-97	26-1-98	27-1-98 (5338) (Re-Tender)

2. The tender schedule with detail specification will be available at given rate (Not refundable) on any working day between 0800 hours to 1200 hours. The tender will be opened at 1000 hours on the abovementioned date in presence of the present tenderers.

ISPR/Misc./97/1037
DPP-28805-21/12
G-3183

Lt Cdr BN
For Director General

BTMC Tender Notice for Sale of Land at Demra Area, Dhaka

Sealed tenders are hereby invited by the Chief Engineer (Civil), BTMC, BTMC Bhaban, 7-9, Kawran Bazar C/A, Dhaka-1215 from interested person/organisation/citizens of Bangladesh staying abroad for purchase of vacant land "as it is where it is basis" at Demra area Dhaka under Ahmed Bawany Textile Mills, Demra, Dhaka. Description of land and other information are as follows:-

Gr No	Description of land	Total land in acres	Last date of selling tender	Dropping & opening date & time of tender
A.	Mouza Kamar Goap J.L No. 324, Joth No. 434, Khatain No. 348/3 CS plots 60 (sixty) full plots & 13 (thirteen) parts plots of land (underdeveloped & ponds) situated at Western side of Ahmed Bawany Textile Mills under PS Demra area in the District of Dhaka vacant land "as it is where it is basis" etc.	22.22	13.1.98	14.1.98 12:00 Noon 12:30 PM
B.	Mouza Kamar Goap J.L No. 324, Joth No. 434, Khatain No 348/3, CS plots 2(two) full plots & 3 (three) parts plots of land situated at Eastern side of Ahmed Bawany Textile Mills at the bank of Balu River under PS Demra in the District of Dhaka vacant land "as it is where it is basis" etc.	1.80	-do-	-do-

Tender schedule may be purchased @ Tk 750/- per set on cash payment (non-refundable) from the office of the Chief Accountant, BTMC, BTMC Bhaban (1st floor), 7-9, Kawran Bazar C/A, Dhaka-1215 or Accounts Section of Ahmed Bawany Textile Mills, Demra, Dhaka or BTMC Shipping Office, 79, Agrabad C/A, Chittagong as mentioned above up to 1:00 PM on all working days during office hours. The tenders may be dropped in the tender box as kept in the office of the Chief Engineer (Civil), BTMC as mentioned above, Ministry of Textiles, 11th floor, Room No. 1117, Bhaban No. 6, Bangladesh Secretariat, Dhaka, BTMC Shipping Office, 79, Agrabad C/A, Chittagong and Ahmed Bawany Textile Mills, Demra, Dhaka on 14.1.98 up to 12:00 Noon & will be opened at 12:30 PM on the same day in presence of the bidders, if any.

2½% earnest money of the quoted value of the tender must be submitted with the tender in the form of Bank Draft/PO etc in favour of BTMC from any scheduled bank of Bangladesh. In case of citizen of Bangladesh staying abroad will submit 2½% earnest money in the form of Bank Draft in foreign currency along with the original bank receipt with the tender. The representative may submit the tender on behalf of citizen of Bangladesh staying abroad. Detail terms & conditions will be available with the tender schedules. No tender without earnest money will be considered.

The authority reserves the right to accept or reject any or all tenders without assigning any reason thereof.

TMC-52
DPP-28832-21/12
G-3184

Wahidur Rahman
Chief Engineer
BTMC, Dhaka