

Asia to launch economic surveillance scheme

GENEVA, May 2: Asian finance ministers ended three days of talks here yesterday with an agreement to launch an economic surveillance scheme to nip potential financial problems in the bud and assured by Japan it was acting to solve its financial woes, reports AFP.

The finance ministers and senior officials from the Association of Southeast Asian Nations (ASEAN) members and South Korea took advantage of the Asian Development Bank's (ADB) 31st annual meeting here to hammer out the details of the surveillance mechanism.

ADB has been asked to prepare the details of the surveillance plan, which allows the countries involved to monitor each other's economies to detect potential trouble and solve them before they go out of hand.

Philippine Finance Secretary Salvador Enriquez said that final talks with the ADB Thursday evening that the ministers expect to approve the ADB plan and sign a memorandum of agreement to set the scheme into motion when the group meets again in Jakarta on May 22.

The surveillance scheme will involve ASEAN countries: Myanmar, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam as well as economic tiger South Korea, wealthy ASEAN member Brunei is not an ADB member.

The scheme had been one of the hottest topics during formal sessions and sideline meetings among the bank's 57 shareholder countries, as was Asia's increasing concerns that Japan's economy was headed for a recession.

"We decided last night not to sign it until the next meeting of finance ministers in Jakarta on May 22," Enriquez told the news agency in an interview. "It turned out that some countries wanted to go through a review first and there are some corrections so that it can be ready for signing," he added.

"We just distributed copies so that our staff can each study them so that the corrections can be made and we can make them ready for signing during the May 22 meeting," he said.

Sato said that the ADB will be in "close coordination" with

the International Monetary Fund (IMF) and the World Bank in order to avoid a "wasteful duplication of functions," in the plan, formally called the ASEAN economic monitoring mechanism.

In a news conference at the end of the three-day meeting, Sato also said that Japan's recovery from its economic woes was crucial to lifting East Asia from the financial mess.

"Japan has been playing and will play a very important role in assisting Asian countries to recover from the crisis," Sato said. "To do that, they must also strengthen their economy," he said.

Japan's influential Vice Minister for International Finance, Eisuke Sakakibara, held a special meeting with ASEAN ministers and a South Korean minister on Thursday evening to brief them on Tokyo's 16-trillion-yen (127 billion dollar) package to resuscitate its economy.

An official who attended the meeting said ASEAN ministers voiced concern that the weak yen "will discourage Japanese capital inflow into Asia" and

that Japanese imports would decline further.

The source, who asked not to be named, said Sakakibara, who on Thursday told the United States to back off from criticisms the stimulus package was inadequate, assured the ministers Japan will "do its best efforts to address those concerns."

Despite problems looming ahead, the ADB ended its first post-crisis meeting on an upbeat note, betting that most affected countries would begin a firm recovery in 1999.

Delegates from the bank's 57 shareholder countries from Asia, North America and Europe have noted that "many of the fundamentals that propelled Asia's remarkable achievements in the past three decades remain intact," ADB President Sato said.

There was consensus that "these economies are expected to begin recovery in 1999, and resume sustained growth over the medium-term on an even more solid ground than in the past," Sato added.

The root cause of the Asian turmoil which swiftly sliced

through Asia since July 1997 was due to structural weakness rather than macroeconomic mismanagement and curing this required new medicine aside from the usual belt-tightening prescriptions of the past.

ADB fund for poor states in deficit

Another report says, the Asian Development Bank's (ADB) concessional loan window is short 1.7 billion dollars because of the weak yen and shareholder countries stalling on their contributions, Bank chief Mitsuo Sato said yesterday.

Sato said the targeted budget for the Asian development fund from 1997 to 2000 was 6.3 billion dollars, but the money on hand was only 4.6 billion dollars.

The fund, pooled from contributions from the industrialized countries and the Asia's tiger economies, is lent at zero interest to the region's poorest nations with repayment terms of up to 40 years.

Sato said the weak yen had

drastically reduced the amount since a major donor to the fund is Japan.

"Lending is in dollars, but the funding comes in yen," Sato said in news conference at the end of the bank's 31st annual meeting.

Some donors have also failed to pay their contributions on time, the ADB chief said, but did not name the countries.

The bank was also unable to transfer funds from its ordinary capital resources to the soft-loan window because of its aid commitment of four billion dollars to South Korea, which has been badly battered by the Asian financial turmoil.

ADB Vice President Bon-Suh Lee said Taiwan was among the bright spots in the region, along with India, Bangladesh and Pakistan.

"They do have their own problems, but they were less affected by the crisis," he told Reuters. "They have learned some very good lessons from neighbouring countries and they are taking the necessary measures now."

Signs of donor-fatigue

GENEVA, May 2: As aid institutions extend record loans to nations crippled by the onset of financial crisis in Asia, developed countries are showing increasing signs of "donor-fatigue," reports AP.

The issue lingered heavily in Geneva where senior financial officials gathered for the annual meeting of the 57-member Asian Development Bank.

The recent crisis, triggered by a wave of currency devaluations last summer, dominated discussions at the three-day meeting that ended Friday.

Multilateral lenders have earmarked billions of dollars to shore up battered Asian

economies, but industrialised nations that bankrolled these efforts appear less than eager to offer new funds.

The US Senate blocked a proposal earlier this week to replenish the coffers of the International Monetary Fund with 18 billion dollars.

Japan, another major aid giver, has slashed its foreign aid budget more than 10 per cent this year to cope with a rising deficit.

"Many donor countries are suffering from budget difficulties, and some are turning more inward looking," said Mitsuo Sato.

Chittagong Stock Prices

Index rises by 4 points

CHITTAGONG, May 2: Week's trading on the Chittagong Stock Exchange began with a rise in its price index Saturday as the gainers outnumbered the losers, reports UNB.

The All Securities Price Index of the country's second bourse rose by 1.27 per cent or 3.69 points to 284.28 points from Thursday's 280.59 points.

Shares of some 34 listed securities were traded, of which 32 gained, one declined and one remained unchanged.

Some 329,980 shares and debentures valued at Tk 1.58

crore changed hands as against 185,170 shares worth Tk 95.92 lakh on the previous day.

Beximco Pharma (106,350), Chic Tex (78,000), Quasem Drycells (46,050), Shimpukur (28,750) and Eagle Star (19,950) were among the volume leaders.

The lone loser of the day was Aftab Auto (-Tk 16).

The gainers included Tripti Industries (+Tk 6.34), Olympic Industries (+Tk 5.35) and Meghna Cement (+Tk 5.33).

Market capitalisation stood at Tk 47.98 billion equivalent to US dollar 1.03 billion.

Saturday's trading performance

Company Name	Avg. Rate	Prv. Rate	Change	Shares Traded
Quasem Drycells	20.44	20.07	+0.37	46050
Aftab Auto	171.50	187.50	-16.00	150
Olympic Industries	183.35	178.00	+5.36	860
Bengal Biscuit	62.82	61.11	+1.71	1880
Ctg. Vegetable	76.00	73.50	+2.50	100
Tripti Industries	116.44	110.10	+6.34	350
Meghna Shrimp	92.00	89.00	+3.00	20
BOC	101.67	100.75	+0.92	300
Apex Weaving	55.35	55.00	+0.35	650
Beximco Synthetics	162.00	160.00	+2.00	20
Beximco Knitting	127.00	123.00	+4.00	60
Sajib Knitwear	33.13	33.00	+0.13	200
Chic Tex Ltd	103.73	100.18	+3.55	12500
Monno Fabrics	7.60	7.36	+0.24	19950
Eagle Star	62.00	61.17	+0.83	300
Dynamic Textile	24.00	24.00	0.00	600
Ashraf Tex	14.60	14.28	+0.32	5300
Square Pharma	696.33	695.17	+1.16	660
Beximco Pharma	55.69	55.09	+0.60	106350
Ambee Pharma	34.20	32.50	+1.70	150
Shine Pukur	75.41	73.45	+1.96	28750
Eastern Housing	134.98	133.61	+1.37	3940
Confidence Cement	252.59	252.28	+0.31	1620
Ctg Cement	654.18	653.90	+0.28	2070
Meghna Cement	211.36	206.03	+5.33	2750
Niloy Cement Indus.	144.54	138.79	+4.75	1750
Apex Tannery	234.81	230.01	+4.80	1100
Excelsior Shoes	52.50	49.33	+3.17	200
Aramit	37.80	37.00	+0.80	750
Beximco	63.30	61.00	+2.30	900
RH Ball Pen Ltd.	22.31	21.91	+0.40	11500
Janata Insurance	114.00	113.00	+1.00	20
Federal Insurance	235.00	231.00	+4.00	200

CSE at a glance

CSE All Securities Price Index	284.28
Day's Change in Points	3.59
Day's Change in Percent (%)	1.2790
Turnover in Value (Taka)	15,823,997.50
Turnover in Volume	329,980
Total Issued Capital (Taka)	23,298,262,890.00
Total Market Capital (Taka)	47,987,536,009.71
Total Market Capital (US\$)	1,031,990,021.71
Total Number of Contracts	787
Total Issues Traded	34
Issues Gained	32
Issues Declined	1
Issues Unchanged	1
Total Listed Securities	144
Listed Companies	131
Listed Mutual Funds	9
Listed Debentures	4

BCIC International Re-Tender Notice

বিসিআইসি'র পণ্য শিপ্রায়নে জাতীয় অর্থগতির প্রতীক

Khulna Newsprint Mills Ltd, Town Khalihsapur, Khulna invites International Tender No PD(F)-15B/97 for purchasing of Basis Weight Control Valve which will be opened on 24-06-98 at 3.00 PM. Tender documents will be available on payment of Tk 50.00 (Fifty) per set from (1) KNM Ltd, (2) BCIC, 30-31, Dilkusha, Dhaka and (3) BCIC Branch Office, 6, Agrabad, Chittagong. No tender documents will be sold on the date of opening.

Md Nazrul Islam
Manager (Purchase)
for Managing Director

BCIC 316-26/4/98
DFP-9213-27/4/98
G-915

Iran's energy lustre blunting US threats

MOSCOW, May 2: A growing number of international oil and gas companies are prepared to defy US threats of sanctions and look for major investment opportunities in the untapped energy wealth lying onshore and offshore Iran, says Reuters.

Russia's Gazprom, the world's largest natural gas company accounting for a quarter of global supply, said it would continue to expand its operations in Iran, joining a chorus of oil and gas majors taking on Washington.

"We are working on the South Pars project (in Iran) with the French and Malaysians," Rem Vyakhirev, head of Gazprom, told Reuters in an interview late on Wednesday.

"We will take part in tenders on (South Pars) four and five, and will fight for them," Gazprom is one of three foreign companies participating in the multi-billion dollar development of Iran's South Pars offshore gas project. The other two are France's Total SA and Malaysia's Petronas.

The Project is being carried out in phases, to which Vyakhirev was referring. The cost of each stage of the huge development is estimated by analysts at around one billion dollars.

Training course on New Business Creation begins

A two-week training course on New Business Creation organised by Micro Industries Development Assistance and Services (MIDAS), has begun yesterday.

This programme is a part of the "Promotion of Private Sector (PPS) Project" under implementation by MIDAS and German Agency for Technical Cooperation (GTZ).

The course will help potential entrepreneurs who want to start their own business in the near future, MIDAS said in a press statement.

The course was formally inaugurated by Samson H Chowdhury, Chairman, Square Pharmaceuticals Ltd, who is also the Chairman of the Board of Directors of MIDAS.

Caspian Sea oil Consortium opens talks on setting up pipeline

MOSCOW, May 2: The international consortium developing Azerbaijan's Caspian Sea oil reserves has announced the start of talks with countries that want to lay the main export pipeline across their territories, a news agency reported Friday, reports AP.

The Azerbaijan International Operating Co made the decision to open talks late Thursday, Russia's ITAR-Tass news agency said. The consortium is to decide on the route of the major export pipeline, which will be needed by 2003, in October.

The pipeline project involves Azerbaijan's state oil company SOCAR and a consortium of 11 oil companies from seven countries — including American firms Amoco, Exxon, Pennzoil and Unocal.

Initial production from the Chirag-1 field off Azerbaijan, about 7,000 barrels a day, is only a hint of the huge production ahead from reserves believed to be the world's richest after the Middle East. Caspian Sea oil reserves are estimated at 178 billion barrels, worth four trillion dollars.

Russia, Turkey and Georgia are all vying for the main pipeline. The Russian pipeline, from the Azeri capital Baku to Russia's Black Sea port of Novorossiysk, would be 1,411 kilometres (880 miles) and would cost some 2 billion dollars, ITAR-Tass said.

"It is interesting that Gazprom is also interested in the following phases of South Pars," said Manoucher Takin, an Iranian oil and gas specialist at the centre for global energy studies in London. "It's very good news."

Gazprom joins Total and Petros in throwing down the gauntlet to Washington. All three companies have the vocal backing of their governments, which are against the US trying to impose it rules on other countries.

The United States passed the Iran-Libya sanctions act in 1996, allowing for penalties to be imposed on foreign firms investing more than 200 million dollars a year in the oil and gas sectors of Libya or Iran.

The State Department is reviewing whether the south pars deal violates US law, and there is speculation that a decision will be taken possibly as early as next month.

A US move to sanction companies could trigger a major trade route, with the European Union saying last week that it would immediately start a world trade organisation case against the United States were total to be punished.

Taking said the fact that no penalties had been imposed so

far suggested the Clinton administration was less comfortable with the idea than senators like Alfonse D'Amato, one of the main supporters of sanctions.

Vyakhirev, with typical bravado, thanked D'Amato for giving Gazprom a good reason for pulling out of a 750 million dollars loan guarantee programme with the US export-import bank last year.

"Those measures which D'Amato intends to undertake are no more than a mosquito bite to us," he said. "Today I can even say 'thank you' to D'Amato as he saved us the trouble of turning down the Eximbank loan."

Iran has the world's second largest natural gas reserves after Russia, and unofficial estimates peg its recoverable crude oil reserves at between 80 and 100 billion barrels.

Afraid of losing out in the early oil and gas rush, more companies are eyeing projects there, including Italy's Eni, France's Elf Aguiaine and Anglo-Dutch oil and gas major royal Dutch/Shell.

At the same time some US majors, mostly privately, have bitterly attacked Washington's stance which they say is denying them a major new business frontier and giving the edge to European competitors.



Ricarda Weidinger, GTZ Adviser, Samson H Chowdhury Chairman, MIDAS Board of Directors, Abdul Karim, Managing Director of MIDAS and Torsten Strepke, international trainer from Germany, at the inaugural session of a training course on New Business Creation yesterday.

Launching of euro on Jan 1, 99

EU govts agree to balance budgets

BRUSSELS, May 2: European Union governments agreed Friday to balance their budgets quickly after switching to the Euro, but diluted a German proposal to oblige Belgium and Italy to use budget savings to cut their large debts, reports AP.

EU finance ministers issued a statement designed to underscore the stability of the new EU currency.

That currency will come a big step closer to reality Saturday when the 15 EU leaders designate 11 nations that will formally adopt the Euro on Jan. 1.

Without singling out Italy and Belgium, the declaration said the higher a nation's debt "the greater must be their efforts to reduce them rapidly."

Italy and Belgium both have debts far exceeding 120 per cent of their respective gross domestic products, more than double the maximum target set for nations joining the Euro.

To counter fears such high debts will undermine the EU currency, German Finance Minister Theo Waigel suggested last month nations to use additional revenue stemming from stricter budget-keeping be used to cut debt. Others rejected that as too inflexible.

In the end, the finance ministers agreed that "if economic conditions develop better than expected (Euro nations) will use the opportunity" to tighten budgets to "reach the medium-term objective... close to balance or in surplus."

To qualify for membership of the Euro zone, nations had to get budget deficits down to 3 per cent of GDP or lower. Of the 11 Euro nations, only Ireland and Luxembourg currently have a budget surplus.

DHL announces partnership with Kuehne & Nagel

DHL Worldwide Express has announced a partnership with international freight forwarder Kuehne & Nagel, says a press release.

Swiss based Kuehne & Nagel will now use DHL's air express network to provide an express door to door service for packages less than 50kg.

In the first phase, the new service will cover Europe, Africa and Asia Pacific, with an extension planned to include the USA, Canada and Latin America.

As a result, in addition to its core business, freight forwarding by sea, road, rail and air, Kuehne & Nagel now has an air express option to extend its product portfolio.

Access to DHL's air express network will substantially enhance the scope of Kuehne & Nagel's operations.

DHL delivers to 227 countries and territories worldwide.

Government of the People's Republic of Bangladesh

Office of the Executive Engineer
Khulna PWD Division-II, Khulna

Notice Inviting Tenders

1. Tender No	: 19 (E-M) 1997-98				
2. Name of work	: As stated below in the group list.				
Group No	Name of work	Estimated cost	Earnest money	Time allowed	Class of contractor
1 (one)	Repair of CGS Colony at Boyra, Khulna (SH: El repair of 'F' Type quarter bld no 1)	58,137/-	1,165/-	30 (Thirty days)	All classes of contractor/firms of PWD according to their financial limit & region.
2	-do- -do- (SH: El repair of 'F' type quarter bldg no 2)	63,102/-	1,265/-	30 (Thirty days)	-do-
3	-do- -do- (SH: Repair of 'F' type quarter bldg no 3)	64,491/-	1,285/-	30 (Thirty days)	-do-
4 (Four)	-do- -do- (SH: El repair of 'H' type quarter bldg no 4)	95,458/-	1,920/-	30 (Thirty days)	-do-
5 (Five)	-do- -do- (SH: El repair of 'D' type quarter bldg no 5)	41,160/-	830/-	30 (Thirty days)	-do-
3.	Last date of sale of tender documents	: 13-5-98 up to 5.00 PM.			
4.	Date and time of tender dropping	: 14.5.98 up to 12.00 Noon.			
5.	Place of tender dropping and selling	: Office of the Executive Engineer, PWD Division-II/I, Khulna/Satkhira/Bagerhat.			
6.	Date and time of opening	: 14.5.98 at 12.15 PM.			
7.	The competent authority reserves the right to reject or cancel any or all the tenders without assigning any reason.				
NB. If more than one tenderer quoted the same lowest rate then the lowest tenderer will be selected through lottery to be held in the office chamber of the undersigned on 21.5.98 at 11.00 AM.					
DPP-9266-28/4/98					
G-914					
Executive Engineer Khulna PWD Division-II, Khulna					

DFP-9266-28/4/98
G-914