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**HYUNDAI**  
CARS THAT MAKE SENSE

## Planning, finance ministers disagree on ADP cut

By Govinda Shil

The ministries of finance and planning have disagreed with each other over slashing the annual development programme this year. The planning ministry does not want to trim the Tk 12,800 crore ADP, but the ministry of finance is not willing to allocate funds citing low revenue collection.

A highly-placed government source said the matter would come up for discussion at an ECNEC meeting tomorrow in presence of the prime minister.

The issue, officials point out, has a direct bearing on the rural economy as well as the government's political commitment. The ADP projects are vital to channel funds to the rural

economy which has suffered seriously this year because of an erratic crop output. Officials say an increased spending in rural projects would have helped break the prevailing stagnation in rural Bangladesh.

Prime Minister Sheikh Hasina will make a decision over the ADP disputes in an ECNEC meeting tomorrow.

The finance minister wanted to downsize the ADP on the ground that revenue collection might not reach the target of Tk 19,624 crore.

When contacted, Mohiuddin Khan Alamgir, the state minister for planning, said he had no

intention to downsize the ADP. He also said that the rate of implementation had expedited since April though it was slightly lower in the previous months.

The minister did not make any comment over the possible cut, if any, in the ADB allocation. He however, told a meeting earlier this month a five per cent or Tk 700 to Tk 800 cut could be accepted.

A source at the planning ministry said the size of the coming 1998-99 ADP had not yet been determined. He said its volume would depend on future revenue collection and inflow of foreign aid. Other sources say a Tk 1,000 crore cut is likely.

Khan said that coordinated efforts between different levels of administrative tiers were needed to ensure a speedy and effective implementation of projects. He held the military governments in the past responsible for destroying an established system for project execution.

Among other reasons, he said, stringent conditionalities of the donors were also responsible for poor implementation of the projects.

"The cross-sectoral conditionalities of foreign aid committed by donors need to be made softer and more flexible," he said.

## Grindlays goes past others, in full gear

Star Business Report

The first letter of credit from People's Republic of Bangladesh went from the then Grindlays Bank in Dhaka. That was December 1971. Today, 27 years later, the bank has added another glittering feather to its cap — bringing electronic banking services of EBS to the country.

The key EBS component is ANZLink which will give corporate customers the chance to do it all sitting in their own offices — funds transfer, letters of credit, balance inquiries, statements, amendments to LCs etc. "In other words, we are bringing the bank to his workplace," said Muhammad A. Ali, head of bank's operation in Bangladesh.

Another part of EBS are the automated teller machines, allowing 24-hour instant cash to customers.

"We are also introducing Point of Sale machines which will allow faster access to credit card merchants and creates the infrastructure to eventually allow customers to directly pay the merchant without resorting to cheque and cash ... thus preparing us for the cashless transactions of the future," Ali said.

So, Ali, the first Bangladeshi General Manager of the largest and the oldest foreign bank

here, has all the reasons to be proud. Yesterday, when the multinational put its electronic banking services in Bangladesh on line, he listed many more such achievements:

- \* the first bank to fully computerise its services in 1984
- \* the first bank to bring in

concept of "relationship banking" in early 1980s

- \* the first bank to introduce credit cards in Bangladesh
- \* putting in place the infrastructure for the next millennium

"This (the new facility) makes our customer one of the

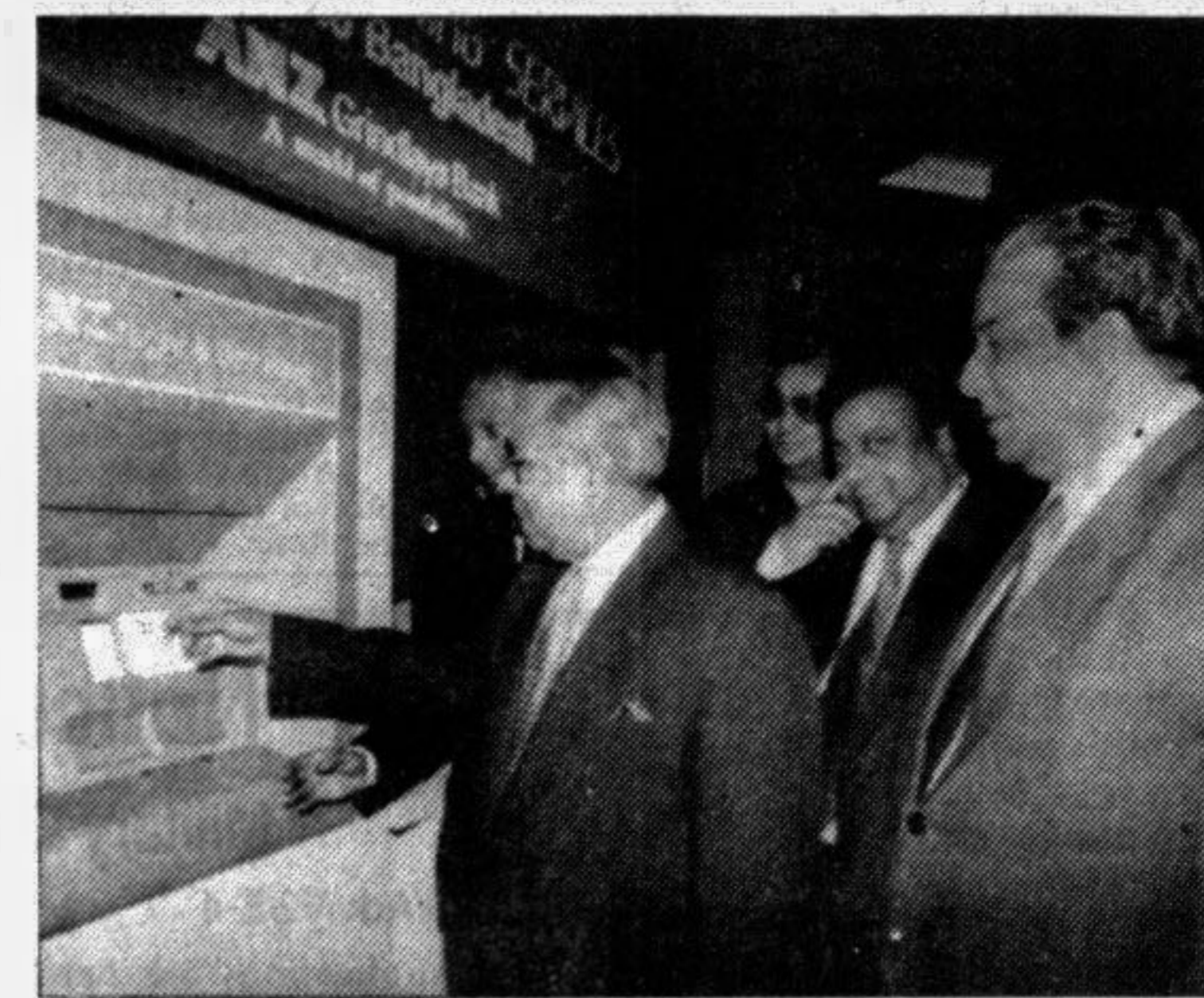
select few, who have the distinct privilege to be able to operate their ANZ accounts from any of our 14 representations in Bangladesh ... real time, on line no matter where your account is domiciled," Ali told the launching ceremony at Sheraton Hotel.

"Today, we are the only financial institution which offers this service," he said.

Finance Minister S A M S Kibria, who along with central bank governor Lutfar Rahman Sarkar was present at the launching ceremony, was all praise for the bank for its thrust on modern services. "It's an welcome innovation," he said of the new services.

The minister called upon the foreign banks to be "good corporate citizens" and "one of the public" moving away more from the "safest, creamiest part" of business. "Go more for industrial finance, term loans ... there you can be selective," he said.

Modernisation apart, Grindlays has also tried to come out of safe areas of banking, a charge often levelled against foreign banks here. "Among the largest involvement in the industrial sector of the economy ... almost 65 per cent of our book is in industrial lending of which around 10 per cent is in medium to long term industrial credit," Ali said.



These are not the real machines. At the Sheraton ballroom, Finance Minister Kibria, flanked by Governor Sarkar and General Manager Ali, switches the mock machines on at the formal launching of ANZ Grindlays electronic banking services yesterday. — Star Photo

## 'Sign of int'l displeasure at N-tests'

# WB postpones \$865m loans to India

WASHINGTON, May 27: The international community gave India a taste of its displeasure at this month's nuclear tests when the World Bank on Tuesday delayed consideration of three large loans, reports Reuters.

A brief statement said 865 million US dollar worth of loans had been postponed "in response to requests from several executive directors, and in consultation with Board members."

The statement made no mention of the five nuclear tests, which shocked the world community, and a Bank spokeswoman declined to give a reason for the postponement. It affects three World Bank loans and one from the International Finance Corporation, the bank's private sector wing.

But White House spokesman Mike McCurry said a delay because of the tests would be a sign of international displeasure.

"Our expectation is people are listening very carefully to the arguments that we are advancing ... about the reasons why multilateral lending through international financial institutions to the government of India, at a time when they have taken this step contrary to the interests of the world community, is something that ought to be questioned," he said.

Sanctions imposed by the United States after the explosion means Washington must oppose new World Bank loans.

The postponement raises the question to what extent politics is influencing the agenda of the international lending institution, which funds projects aiming to ease poverty.

Surendra Singh, India's Executive Director at the World Bank, said he hoped the loans could be discussed soon.

"The Bank charter is that the Bank is not supposed to get involved with political issues and should confine itself only to economic considerations," he said.

"But we can only surmise why some countries asked for a deferment, since nobody has given reasons."

India has reacted defiantly to the world community's displeasure at its nuclear tests, which brings the country into the exclusive club of those states which have tested nuclear bombs and which have admitted carrying out the tests.

Focus has now shifted to Pakistan, which must weigh the financial risks of sanctions if it tests nuclear weapons against the political risk of appearing weak at home if it does not respond to India's tests with its own.

Pakistan's economy is weaker than that of India,

which is the world bank's biggest borrower over time with some 44 billion dollars in loans to date.

New Delhi had expected to receive 1.9 billion dollars in new loans in the weeks before the June 30 end of the bank's financial year. But the US sanctions threw doubts over the funding.

The next scheduled loan, an 80 million dollars credit to help agriculture in the state of Uttar Pradesh, comes up on the World Bank's provisional agenda on June 2.

Washington is the world bank's biggest shareholder and its executive director wields 18 per cent of the votes at the international lending institution.

Japan, which has six per cent of the votes at the bank, is also imposing sanctions. But other countries, notably those in Europe, argue that sanctions will hurt the poor and are not an appropriate response to the nuclear tests.

The Bank said four projects were due to be discussed this week — 130 million dollars to support a renewable energy programme, 450 million dollars to develop the national power grid, 275 million for roads in Haryana state and a 10 million dollar loan from the IFC, the World Bank's private sector wing.

## Pak reaction

CANBERRA, May 27: The World Bank's decision to delay the consideration of 855 million US dollars in loans to India was an inadequate response to that country's recent nuclear tests, a senior Pakistani politician said today, reports Reuters.

Senate Chairman Wassim Sajjad, in Canberra for discussions with the Australian government, said the world-wide response to the five underground tests had been weak.

"I pointed out to the persons that I talked to (here) that we were very disappointed with the response that the world community in general has given to the Indian nuclear tests," Sajjad told reporters after a meeting with Deputy Prime Minister Tim Fischer.

"They have not showed the seriousness that the situation warranted. It's the kind of response which will only encourage India on this belligerent path."

The World Bank announced on Tuesday it had delayed consideration of three large loans to India, but did not mention the nuclear tests as a possible reason for the delay.

However, a White House spokesman said a delay because of the tests would be a sign of international displeasure.

**Institute of Food & Radiation Biology Atomic Energy Research Establishment (AERE)**  
Ganokbari, Savar, GPO Box No. 3787  
Dhaka-1000, Bangladesh  
Cable: BATOM TELEX: 632203 BATOM BJ, Fax: 8802-863051 Phone: 4191205, 4191519  
Ref: IFRB-1 (IRRADIATION FACILITY/239)/98 Dated: 17.5.1998

## International Tender Notice

Subject: Supply & Installation of a Cobalt-60 Dry Storage Gamma Irradiator (Batch Type) of 50 kCi (1.85X1000 TBq) Strength to Atomic Energy Research Establishment, Ganokbari, Savar, Dhaka

Sealed tenders are hereby invited from the bonafide Local/International suppliers/manufacturers or their local agents for supply, installation and commissioning of a Cobalt-60 dry storage gamma irradiator (batch type) of 50 kCi (1.85X1000 TBq) strength to Atomic Energy Research Establishment, Ganokbari, Savar.

Tender documents will be available during office hours up to 23.6.98 at a cost of Tk 750/- (Seven hundred fifty) (non-refundable) from the Accounts Officer (Cash), Central Finance & Accounts Division, Atomic Energy Research Establishment, Ganokbari, Savar, supported with (i) Current Year Trade Licence (ii) Up-to-date Income Tax Clearance Certificate (iii) Bank Solvency Certificate (iv) VAT and (v) IRC Registration Certificate. No tender documents will be sold on the day of opening of the tender.

The tender should be dropped in the tender box kept in the office of Director, IFRB, Institute of Food and Radiation Biology, A E R E, Ganokbari, Savar, up to 12.30 PM of 24th June, 1998 and the same will be opened at the same day at 2:00 PM in presence of tenderers or their representatives who wish to be present. Earnest money amounting to 1% (one per cent) of the tendered FOB value in the form of Bank Guarantee/Bank Draft/Pay Order in favour of Project Director, IFRB, Irradiator Facility, must be submitted along with the offer.

If there occurs total transport disruption or Govt holiday in the opening date, the next normal working day will be treated as valid opening date of tender keeping time, place and all other terms intact. The authority reserves the right to accept or reject any or all tenders without assigning any reason whatsoever.

BAEC/SID 1(2)/94-313  
DFP-11335-17/5/98  
Administrative Officer  
IFRB  
G-1165

## SEC okays telephonic trading

Star Business Report  
The Securities and Exchange Commission has approved the amendments to the Securities and Exchange Rules 1987 allowing telephonic order to buy or sell of securities of the companies listed with the stock exchanges through a bourse member.

The amendments will be effective from the date of gazette publication, said the SEC in a press statement.

## Chinese corpn to sign gas processing contract today

President of China Huangqu Chemical Engineering Corporation (HQCEC) He Lishan arrived here yesterday (Wednesday) to sign a contract with Sylhet Gas Field (SGFL) for setting up a gas processing plant, reports UNB.



The contract for setting up of the plant at Rashidpur Gas Field in Sylhet will be signed today.

The World Bank-financed 118 million US dollar project will be completed within 12 months.



Shareholders at the ninth AGM of United Leasing Company

## New panic selling in Russia's markets

MOSCOW, May 27: In spite of an overnight vote of confidence from the International Monetary Fund, a fresh round of panic selling hit Russian markets again Wednesday, reports AP.

Russia's rouble was relatively stable, but traders said that was a lingering effect of heavy Central Bank intervention, estimated at some 400 million on Tuesday alone.

President Boris Yeltsin announced a plan Tuesday to slash government spending by 40 billion roubles (6.5 billion dollars) this year. The IMF welcomed that move in a statement on Tuesday night, declaring that it "should encourage a revival of growth while assuring a continuation of low inflation and exchange rate stability."

Yet investors were unimpressed, and they continued dumping Russian stocks and bonds. On Wednesday morning, stocks dropped a further 7.1 per cent.

## ULC declares 24 pc dividend

United Leasing Company Limited, a publicly-traded company, declared a dividend of Tk 24.00 per share for the year ended December 31, 1997.

The company announced the declaration at its ninth AGM at a local hotel yesterday. It earned a pre-tax profit of Tk 7.89 crore (Tk 6.33 crore after tax) in 1997 compared to a pre-tax profit of Tk 7.64 crore (Tk 6.18 crore after tax) in 1996. Income from operation grew by nine per cent from Tk 48.00 crore in 1996 to Tk 52.34 crore in 1997. Leased assets of the company stood at Tk 102 crore (Tk 86 crore in 1996).

Kafiluddin Mahmood, Chairman of the company, presided over the AGM.

## Minister tells AmCham seminar Policy implementation gets priority in 5th 5-yr plan

State Minister for Planning, Science and Technology Dr Mohiuddin Khan Alamgir yesterday said more stress was given in achieving policy implementation that the targets in the fifth five-year plan, reports BSS.

This is the difference between the present plan and the previous ones, he said, adding the government is committed to implement it giving the maximum emphasis on private sector growth.

Addressing a seminar on "Role of the private sector in the fifth five-year plan," organised by the American Chamber of Commerce in Bangladesh (AmCham), Dr Alamgir said the government wants to be rational in its commitment to implement the plan as the government has to show honour to democratic rights of the people. Since the plan was approved at the highest government level under the chairmanship of Prime Minister Sheikh Hasina, it became mandatory for all the ministries to help implement the plan, he said.

Presided over by AmCham President Forrest E Cookson, it was addressed, among others, by former deputy prime minister Jamal Uddin Ahmad, former finance minister Saifur Rahman, president of Federation of Bangladesh Chambers of Commerce and Industries

Shahid Ahmed, National Sales Manager, while presenting the 1997 sales performance said that the company had sold 6,985,445 cycles of oral contraceptive pills (Femicon and Nordette-28) and 139,087,315 pieces of condoms (Raja, Panther & Sensation) during the year. This has provided 1464,595 CYP (couple years of protection) in terms of family planning contraception, nationally.

In addition, SMC sold 53 million sachets of its packaged oral rehydration salt, OR-Saline.



Waliur Rahman, Managing Director of Social Marketing Company, addresses the company's annual sales conference.

## Follow-up to Micro Credit Summit June 25-27

NEW YORK, May 27: A major follow-up meeting to last year's Micro Credit Summit will take place in New York from June 25-27, reports UNB.

This was announced on Tuesday at a press conference at the UN Headquarters in New York.

Addressing the press conference, Grameen Bank Managing Director Prof Muhammad Yunus said the meeting will provide an opportunity to review the successes and failures of the past one year in consolidating the micro credit initiatives.

Last year, the White House hosted the summit which was attended, among others, by Bangladesh Prime Minister Sheikh Hasina and leaders of several African and South American countries.

Prof Yunus admitted there has been a number of setbacks during the past one year, espe-

## SMC's sales confce held

The annual sales conference of Social Marketing Company (SMC) was held at a local hotel recently, says a press release.

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## Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT & OD
USD	46.5050	46.1100	46.5450	45.9570	45.8850
GBP	76.3473	75.0302	76.4129	74.7812	74.6641
DEM	26.3544	25.9205	26.3771	25.8345	25.7940
JPY	0.3396	0.3332	0.3399	0.3321	0.3316
FRF	7.9090	7.6824	7.9158	7.6569	7.6450
SAR	12.4328	12.2610	12.4435	12.2203	12.2012
MYR	12.1318	12.0288	12.1422	11.9888	11.9701
AED	12.6966	12.5190	12.7075	12.4775	12.4579
KWD	157.1380	145.8716	157.2732	145.3875	145.1598
QAR	12.8095	12.6277	12.8055	12.5858	12.5661

USD Usage Export Bill Buying Rates

TT Dct	30 Days	60 Days	90 Days	120 Days	180 Days
46.0112	45.7258	45.3415	44.9573	44.5730	43.8045

US dollar London Interbank Offered Rate (LIBOR) as of May 27, 1998

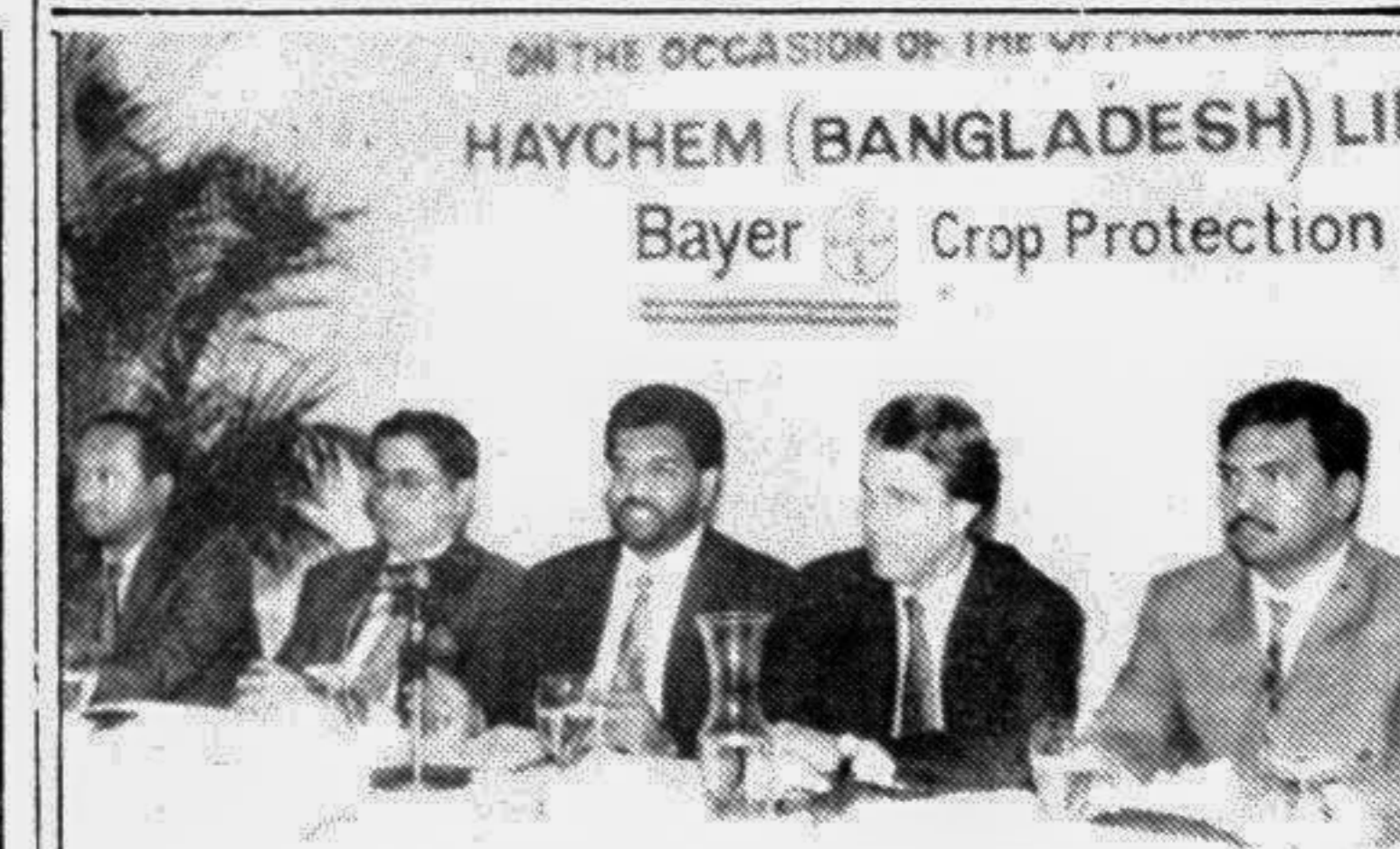
Buying	Selling	Currency	1	3	6	9	12
Cash	45.8850	USD	5.625	5.875	5.75	5.84375	5.90625
TC	45.8850	GBP	7.4375	7.5	7.5	7.5	7.5

Exchange Rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
41.260/290	44.180/220	39.250/350	3.8333/3.8388	10500/10600	1410/1416

Amex notes on Wednesday's market  
Local interbank forex market was active on Wednesday. The supply shortage deepened as market makers, owing to own requirements, decided to stop selling dollars for the rest of the week. USD/BDT ranged from 46.4600 to 46.4700.

The call money market was stable and ranged between seven per cent and 7.5 per cent.  
In the international market, the US dollar was bullish against the yen in late Tokyo trade. The greenback was lifted because of buying interest of the Japanese investors. The dollar briefly rose to 138.01 yen on the news that credit rating of five top Japanese banks were downgraded by Moody's Investors Service. Moody's had also put ratings of four other Japanese banks under review for possible downgrading which reflected its concern over the extent of bad loans within the Japanese banking system.  
At 1530 hours local time, US dollar traded at 1.7620/25 DEM, 137.59/64 yen, 1.4600/10 SFR, 5.9090/9110 FFR and GBP at 1.6395/6405 USD.



A press conference was arranged at a city hotel yesterday to mark the official launch of Haychem (Bangladesh) Ltd responsible for Bayer Crop Protection business in Bangladesh. — Star photo

## BCIC Tender Notice

বিসিআইসি'র পণ্য শিলায়নে জাতীয় অঙ্গণ্ডির প্রতীক

Managing Director, Polish Urea Fertilizer Factory Ltd., Polash, Narsingdi, invites sealed quotation against Tender Enquiry No. PUFFL/COM/2.033/97-98 dt. 27-04-98 for supply of Air Compressor Inter Stage Cooler Separator Tube Bundle & PUFFL/COM/4.036/97-98 dt. 27-04-98 for supply of Electronic Pressure Transmitter under two envelope systems on C&F (C) Ctg. basis. Tenders will be received on 15-06-98 in the offices of the (a) General Manager (Com.), PUFFL & (b) Sr. General Manager (Purchase), BCIC, 30-31, Dilkusha C/A, Dhaka-1000 and will be opened immediately thereafter on the same day. Tender documents will be available on payment of Tk. 200/= & Tk. 50/= only per set respectively from the offices (i) BCIC, 30-31, Dilkusha C/A, Dhaka (ii) BCIC, 6, Agrabad C/A, Chittagong & (iii) PUFFL, Accounts Deptt. No tender documents will be sold on the date of its opening.

BCIC 360-12/5/98  
DFP-10607-14/5/98