

Officials prepare for talks

Pak, Indian businessmen support opening up trade

NEW DELHI, Nov 4: India and Pakistan have always been better at trading insults than goods, reports Reuters.

Now, as the arch-rivals' trade secretaries prepare for talks on economic and commercial cooperation, business leaders on both sides are keeping their fingers crossed that old enmity can be put aside for mutual gain.

"Our view is that we should not bring politics into economic issues," said Sheikh Mohammad Inam, founder president of the South Asian Association for Regional Cooperation (SAARC) Chamber of Commerce and Industry.

"Let us allow free trade between India and Pakistan so the benefit is not reaped by a third country."

Economic cooperation is one of six issues to be discussed at talks which get underway in

New Delhi tomorrow.

They follow a round of peace talks in Islamabad — the two countries' first for over a year and their first since tensions were heightened by tit-for-tat nuclear tests in May.

Last month's dialogue focused on peace and security and the bitter dispute over the Himalayan territory of Jammu and Kashmir. Pakistan has in the past said that cooperation in trade and other fields should be linked to progress on Kashmir, while India has favoured a holistic approach.

Third countries have long enjoyed the benefit of trade barriers between India and Pakistan, which have lost out on higher transaction costs and customs revenue.

Two-way trade between the two countries was around US\$162.5 million in 1996/97

(April-March), a rise of 68 per cent from the previous year. But unofficial trade, smuggled or routed through third countries, is estimated at \$1.0-1.5 billion a year.

Tyres, for instance, were until recently exported from Amritsar in western India to Lahore — potentially a one-hour drive, across the border through Dubai, Afghanistan and Iran.

Although both countries are signatories of the World Trade Organisation, Pakistan has not yet granted most-favoured-nation (MFN) status to its neighbour. Bilateral trade is, therefore, governed by a Pakistani restricted list of importable items.

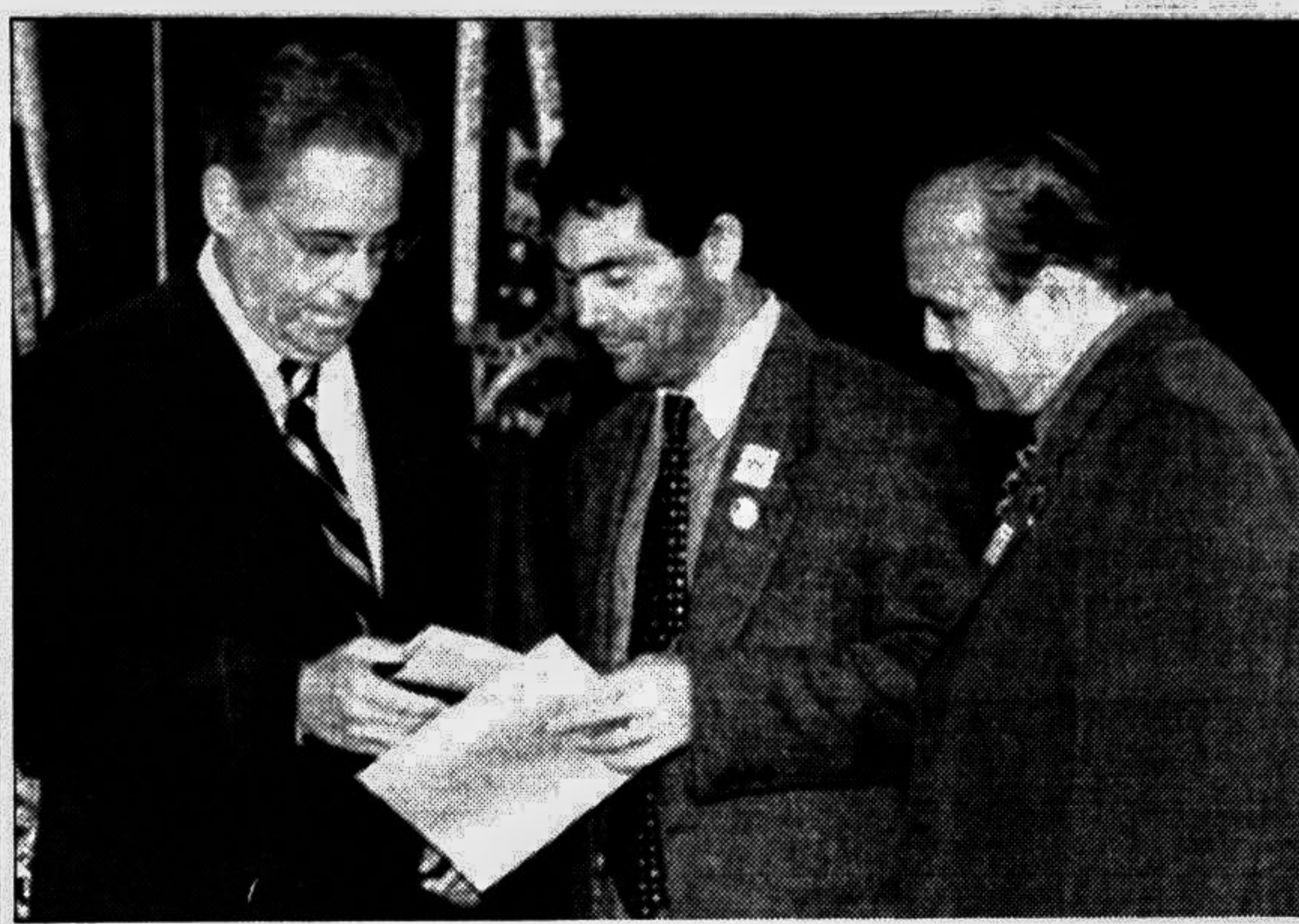
"In its new trade policy in May this year, Pakistan identified 14 additional items for import from India, further ex-

panding this list to 615 items," the Federation of Indian Chambers of Commerce and Industry (FICCI) said in a recent report.

"These measures would result in a big jump in bilateral trade, but development of a healthy trade relationship between India and Pakistan hinges upon Pakistan's granting MFN status to India."

Awareness is growing in Pakistan of the need to extend MFN status to India. "This is not a special favour to India, but an obligation under WTO and an economic and geopolitical imperative," the Karachi Chambers of Commerce and Industry said in a study.

India offers a natural outlet for Pakistani exports and Pakistan could ill-afford to allow political considerations to hamper progress towards freer trade with its neighbour.



Brazilian President Fernando Henrique Cardoso (left) receives a proposal to combat unemployment from metallurgists union president from Sao Paulo, Paulo Pereira (centre) and syndicalist forces president Antonio de Medeiros, during a ceremony in the presidential palace, in Brasilia, Brazil Thursday.

Lankan opposition leader calls for trade treaty with India

COLOMBO, Nov 4: Sri Lanka's opposition leader on Wednesday called on the government to negotiate a trade treaty with neighbouring India, reports UNB.

"We should discuss and map out strategy for viable trade links... to formulate a policy within a year. Such a treaty could be implemented for the vast benefit of both the countries," Ranil Wickremesinghe, leader of the main opposition United National Party, said in a statement.

In July, Indian Prime Minister Atal Bihari Vajpayee said he was willing to discuss bilateral trade arrangements. The proposed multilateral South Asian Preferential Trade Agreement has been delayed.

Wickremesinghe did not give details, but said he had already proposed to the foreign ministry that a treaty drafting committee of lawmakers and businessmen be set up.

Wickremesinghe said such a treaty should allow Sri Lanka farmers to compete and enter the Indian market, while opening new areas for employment.

EU central bank chief says

Monetary policy not tool to deal with economic problems

FRANKFURT, Nov 4: The head of the European Central Bank said Tuesday monetary policy was not a tool to deal with problems like high unemployment, swatting away calls by some European finance ministers for central banks to adjust policy to boost the job market, reports AP.

"Monetary policy cannot solve structural problems," said Wim Duisenberg, speaking at a regular news conference after a meeting of the governing council of the European Central Bank.

Duisenberg heads the powerful body setting financial policy for the single European currency, the euro, to be launched Jan. 1.

The "decisive contribution of monetary policy to the fostering of growth and employment" was a medium-term policy to keep inflation low, Duisenberg said.

Recent calls by Germany's new Finance Minister Oskar Lafontaine for central bankers to consider their role in cutting unemployment, as well as ensuring price stability, have been coolly received by most central bankers.

In an apparent reference to those calls, Duisenberg said using monetary policy to adjust structural problems could undermine confidence, compounding those problems.

A more relaxed fiscal policy, coupled with higher wage in-

creases key German unions have demanded could add a "high degree of uncertainty" to the world economy, Duisenberg said.

Furthermore, Europe's economies could weaken next year and the world economy would remain troubled, in spite of a modest firming in recent weeks, he said.

Duisenberg heads the ECB's governing council, which discussed at its regular meeting merging financial policies of the 11 European nations participating in the Jan. 1 launch of the euro.

Among the tasks ahead for the ECB's council, comprised of central bankers from the 11 nations, is setting a single European interest rate, which would result in lower interest rates in most EU countries.

The bankers are expected to set Europe's unified interest rate to match Germany's core rate of 3.3 per cent. About half the countries launching the euro currency have rates higher than that.

Duisenberg didn't exclude a rate alteration, saying, "It's nonsense to say that rates couldn't be lowered or raised," before the end of the year, without elaborating.

Two countries joining the euro — Spain and Portugal — on Tuesday cut rates to help the process of convergence, as the merging of interest rates into a single euro rate is called.

Spain cut rates from 3.75 to 3.5 per cent. Portugal cut rates from 4 to 3.75 per cent.

Sweden also cut a key rate from 4.1 to 3.85 per cent, although the country won't join the euro on Jan. 1.

The ECB gave rate convergence "the highest priority," and they were expected to converge by Jan. 1, Duisenberg said.

"There is continued coordination across Europe going on between national central banks," he said.

German cos to bear brunt of fiscal reforms

BONN, Nov 4: German companies will bear the brunt of the fiscal reforms which the new government under Chancellor Gerhard Schroeder hopes to implement from next year, the business daily Handelsblatt reported on Tuesday quoting a document from the Finance Ministry, reports AFP.

A spokesman for the industry declined to comment on the article.

"The full details of the fiscal reforms haven't been settled yet. At the moment, there are no definitive plans, she said.

In order to finance a planned net reduction in taxes of 10 billion marks (six billion dollars), the reforms will ask companies to foot a large part of the bill.

Coca-Cola plans to enter bottled water business

WASHINGTON, Nov 4: Coca-Cola company is planning a market purified water in plastic bottles, possibly under the brand name Dasani, early next year, the Wall Street Journal reported yesterday, reports AFP.

The paper citing sources familiar with the project, said the water would come from the tap or from tap wells. After purification the water would be sold to bottlers, who would also be supplied with packets of minerals — such as potassium and magnesium — that could be added to improve the taste, according to the journal.

The paper cited a study from the Beverage Market Corporation, which valued the bottled water business at four billion dollars a year, up from 2.65 billion in 1990.

Sales of water in plastic bottles have increased by 28 to 30 per cent over the past several years, according to the journal.

It said Coke's big rival, PepsiCo, entered the bottled water business in 1994 with Aquafina now the best-selling brand at convenience stores and gas stations.

Coca-Cola could not be immediately reached for comment.

The journal report follows a study released last month by the Centre for Science in the Public Health watchdog group.

The study warned that soft drinks were becoming a health concern for US adolescents, who now consume worrisome amounts of soft drinks and may not be getting the minerals they need.

Asia-Pacific cos focus on IT investment

SINGAPORE, Nov 4: Firms in the Asia-Pacific region have allocated 60 per cent of their strategic investments in information technology (IT) to build up hardware in the last 12 months the International Data Corp (IDC) said today, reports AFP.

The investments were made despite the economic slowdown being experienced in the region, IDC senior analyst for services Howard Hsu told a press briefing. No figure was given for the amount of the investments.

IDC also saw opportunities in integrating IT systems in the region. Many of whose key economies are in recession.

The US based IT research and consulting firm last month estimated that spending on integrating developments in IT in the region would grow annually at 24 per cent from 1997 to 1.2 billion US dollars by 2002.

We can see much opportunity in the systems integration services, Hsu said even if the budgets allocated for such services were usually small in the region.

Systems integration comprises activities integrating various platforms, technologies, consulting, packaged applications, and customising such applications.

In China and southeast Asia, the adoption of packaged software applications would grow annually at 28 per cent from 1997 to 2002, he said.

Sixty per cent of managers in regional firms information services department would also consider requesting help from external service providers, such

as IBM Card or Hewlett Packard Co in integrating their systems.

Seeking solutions for the millennium bug, the computer glitch widely feared to cause a systems breakdown in computers at the onset of 2000, will account for 10 per cent of regional firms systems integration spending, Hsu added.

You still have a lot of infrastructure development, so the majority of the spending on systems integration will be on infrastructure," he said.

UK govt should fix date for euro entry

LONDON, Nov 4: The British government should abandon its wait-and-see approach to joining the euro single currency and name a date now, the head of the main British business association said yesterday, reports AFP.

Clive Thompson, President of the Confederation of British Industry (CBI), said a change in urgency was necessary because business was an unprepared for the euro, which will be launched in 11 other EU countries on January 1.

The government says it favours Britain's entry into the euro, but only when it is clear that this would suit the economy.

Given the controversy in Britain, the government has promised to put the issue to referendum shortly after the next general election, which must take place by 2002.

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	48.7050	48.3100	48.7450	48.1570	48.0850
GBP	80.9234	79.7357	80.9898	79.4831	79.3643
DEM	29.4628	29.0394	29.4870	28.9475	28.9042
JPY	0.4226	0.4154	0.4230	0.4141	0.4135
FRF	8.8490	8.5884	8.8563	8.5612	8.5484
SAR	13.0313	12.8460	13.0320	12.8053	12.7662
MYR	12.8181	12.7142	12.8286	12.6739	12.6549
AED	13.2976	13.1170	13.3085	13.0755	13.0559
KWD	167.1414	155.0136	167.2787	154.5227	154.2917
QAR	13.4166	13.2313	13.4276	13.1894	13.1696
SFR	35.9845	35.4049	36.0140	35.2928	35.2400
CAD	32.2892	31.3824	32.3157	31.2830	31.2362
ITL	0.0316	0.0278	0.0319	0.0277	0.0276
AUD	31.1420	29.8991	31.1676	29.8044	29.7598
BEP	1.4220	1.4056	1.4232	1.4011	1.3990
HKD	6.9011	6.2250	6.9063	6.2053	6.1960
SGD	30.4159	29.4161	30.4409	29.3229	29.2791

Bill buying rates:					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
48.2112	47.9074	47.5048	47.1023	46.6997	45.8945

US dollar London Interbank Offered Rate (LIBOR) as of November 04, 1998					
Buying	Selling	Currency	1 Month	3 Months	6 Months
Cash	48.0860	USD	5.25	5.31	5.25
TC	48.0860	USD	7.18	7.07	6.82

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.27/42.37	56.056/70	36.50/36.60	3.7993/3.8002	8475/8700	1310/1313

Amex notes on market

USD/BDT market was very active on Wednesday with high dollar demand. USD/BDT mostly traded within the range of 48.6500-48.8530.

Call money market was stable. Call rates ranged between 6.00% and 6.50%.

The dollar was higher against the yen in late Tokyo trading mainly due to short-covering by traders, though option-related activity kept the dollar/yen in a relatively tight range. Better than expected performance by Democrats in the US mid-term elections had limited impact on the currency market and failed to spur dollar buying in Tokyo trade.

The dollar was in a buoyant mood in Europe, cheered mainly by an easing in US political uncertainty in the wake of the Democrats' gains in US mid-term elections. The dollar pushed its way to its highest levels in over a month against the mark and Swiss franc and tested its highest point this week against the yen. The Democrats gain still leaves the party just short of a majority in the House of Representatives. But the narrowing of this majority will likely see President Bill Clinton avoid impeachment, analysts commented.

The tone for sterling was bearish as the market was waiting for the decision on rates. The market already discounted a rate cut of at least 0.25 percentage point in Britain's 7.25% Repo rate on Thursday, in the Bank of England's Monetary Policy Committee (MPC) meeting which started yesterday.

At 1800 local time in the international market, the USD traded at 1.66690/6695 DEM, 117.21/117.22 JPY, 5.55957/5977 FRF, 1.33676/3686 CHF, and GBP at 1.6514/6524 USD.

Shipping Intelligence

Chittagong port					
Berth position and performance of vessels as on 04.11.98					
Berth No	Name of Vessels	Cargo	L port call	Local agent arrival	Date of Leaving
J/1	Alam selar	Wheat (P)	Pena	Angelic	30/10
J/3	Banglar Gourab	Rice(P)/G	Kara	BSC	27/10
J/5	Sea Bird	Rice(P)	Kaki	CCNL	31/10
J/6	Sea Pioneer	G	P Kel	Oil	2/11
J/8	Bungamass-II	Cont	P Kel	EOSL	1/11
J/10	Banglar Asha	Wheat(G)	Bang	KSA	R/A
J/11	Vara	Wheat(P)	Gavn	Total	20/10
J/12	Kota Berjaya	Cont	Sing	PHI(BD)	29/10
J/13	Jurong Balsam	Cont	Sing	Netl	31/10
CCT/1	Kota Naga	Cont	Sing	PHI(BD)	1/11
CCT/2	Prosrich	Cont	Sing	QCSL	1/11
CCT/3	Banglar Moni	Cont	Sing	Bsc	31/10
RM/14	Banga Brol	Repair	Sing	BDSHIP	3/10
RM/15	Lestari Indah	Cement	Jaka	USTC	11/10
GSJ	Beatanavis	Wheat(G)	Saut	LSC	18/10
TSP	Qing Ling	R Phos	Nanj	Seacom	1/11
RM/3	Quiri	CDSO	P Lewis	Seacom	29/10
RM/5	Hawaiian Express	HSD/JP-	Sing	MSTPL	28/10
DXJ	Banglar Shourah	C Oil	BSC	RA	6/11
DD	Banglar Mamata	Repair	-	BSC	RA
DDJ/1	Tanary Star	Idle	Para	PSAL	15/11
RM/8	Al Salamas	Repair	Visa	ASLL	29/8
RM/9	Banglar Kallol	Repair	-	BSC	RA
CUFLJ	Mary Nour	Cement	Lanc	BSC	10/11

Vessels due at outer anchorage					
Name of vessels	Date of arrival	L port arrival	Local call	Cargo agent	Loading port
Eco Argo	4/11	-	Prog	G	-
Paranashir	4/11	-	Prog	PSSP(Fert)	-
Banglar Shikha (Cont)	25/10	4/11	Sing	BSC	Cont
Chin Shwe Haw	5/11	-	Prog	MTA	G
Kota Cahaya (Cont)	26/10	6/11	Sing	PHI(BD)	Cont
Yasmina	6/11	-	Kaki	SMSL	Rice(P)
Da Fa (Cont)/II	6/11	-	Sing	RSL	Cont
Arbat	7/11	-	-	USTC	Cement
Ultima (Cont) 28/10	7/11	-	-	Baridhi	Cont
Pathein	8/11	-	Yang	MTA	G
Ocean-1	7/11	-	Yang	SMSL	G
Kwan Mo Bong	7/11	-	-	USTC	Cement
Yong Jiang	8/11	-	-	BDSHIP	G
Trono	8/11	-	-	Everet	G
Orange Moon (Roro/24)	9/11	-	-	BBA	VehI
QC Teal (Cont) 28/10	10/11	-	Sing	QCSL	Cont
Hibiscus(Cont)28/10	9/11	-	Sing	QCSL	Cont
Marine Fortuner	9/11	-	-	RML	Cont
Bunga Mas-II (Cont)21/10	9/11	-	P Kela	EOSL	Cont
Prudent Challenger	10/11	-	Kand	OTBL	Rice(P)
Penguin	10/11	-	Yang	SMSL	G
Kota Singa (Cont) I/II	10/11	-	Sing	PHI(BD)	Cont
QC Pintail (Cont) I/II	10/11	-	Sing	PHI(BD)	Cont
Silver Lake	10/11	-	-	Prog	G
Banglar Maya	11/11	-	Male	BSC	G(Cont)
Banglar Robi(Cont) I/II	11/11	-	Sing	BSC	Cont
Leona	11/11	-	-	Prog	G
Manaslu (Cont) 12/11	11/11	-	Sing	RSL	Cont
Acacia(Cont) 13/11	11/11	-	Sing	RSL	Cont
Makassar Express(Cont)	12/11	-	-	Baridhi	Cont

The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Bangladesh Inland Water Transport Authority
Barisal Division, Barisal

Tender Notice

Tenders in Bangladesh Form No 2911 are invited from the enlisted all classes of contractors of the Engineering Division of Bangladesh Inland Water Transport Authority.

Serial no	Name of work	Estimated cost in taka	Earnest money	Cost of schedule	Time for completion of work
1.	Construction of passenger shed at Dhamura Launch Ghat	2,38,750/-	6,000/-	400/-	60 (sixty) days.
2.	Urgent repairing work of Tetulia toll office	1,39,100/-	3,500/-	400/-	60 (sixty) days.
3.	Working haring bond and protection by laying brick at link rink of Boga Launch Ghat	2,50,000/-	6,250/-	400/-	45 (forty-five) days.
4.	Construction and installation of 2 iron stud at Patukhali Terminal	5,55,500/-	13,900/-	400/-	45 (forty-five) days.
5.	Construction of RCC retaining wall at Baruna Launch Ghat	85,100/-	2,150/-	400/-	30 (thirty) days.
6.	Construction of proposed wooden jetty at Galachipa Launch Ghat	2,75,000/-	6,875/-	400/-	30 (thirty) days.
7.	Reconstruction, repair of wooden jetty and link road at Niamoti Launch Ghat	2,59,000/-	6,475/-	400/-	30 (thirty) days.

Tenders will be received in the tender box kept at the office of the Executive Engineer, Barisal Division, Barisal/Khulna/Design and Planning Circle, Dhaka till 12:00 Noon on 16-11-98, 2nd Agrahon, 1405 Bangla and will be opened the same day at 12:15 PM before tenders (if anyone remains present). Earnest money as mentioned against each work in the form of Bank Draft/Call Deposit/Pay Order from any bank in favour of the authority must be deposited with tender. Tender form including other necessary papers can be obtained by depositing the cost of the schedule in the Regional Accounts Office, BIWTA/ Barisal/Dhaka/Khulna and by producing the receipt from the said offices during office hours (except the day of opening tender). Terms and conditions of tender will be enclosed with tender schedule. The authority reserves the power to accept or reject any or all tenders without assigning any reason.

PR-98/98
DFF-23089-1/11/98
G-2474

Md Asaduzzaman
Executive Engineer, Barisal Division
BIWTA, Barisal.

Bangladesh Inland Water Transport Authority
Narayanganj Division, Narayanganj

Tender Notice

Sealed tenders in prescribed 2911 Form are invited from the all class of enlisted contractors of Engineering Division of Bangladesh Inland Water Transport Authority for the undermentioned work:

S No	Name of work	Estimated expenditure	Earnest money	Time for completion of work
1.	Replacement of damaged tin of roof on urgent basis of no 7 godown at Khanpur in Narayanganj and remaking of rolling shutter and collapsible gate.	2,80,800/-	Tk 7,100/-	30 (thirty) days
2.	Replacement of damaged tin of roof on urgent basis of godown no 8 at Khanpur in Narayanganj and remaking of rolling shutter and collapsible gate	2,77,200/-	Tk 7,000/-	30 (thirty) days
3.	Work of replacement of bad tin (porous part) at godown no 4 at Khanpur in Narayanganj	1,58,900/-	Tk 4,000/-	20 (twenty) days

Tenders will have to be submitted in the tender box kept at the office of the Engineer, BIWTA, Dhaka Division, Dhaka, and Narayanganj Division, Nganj till 12:00 Noon on 18-11-98 and will be opened on the same day at 12:15 PM in presence of tenderers (if anyone remains present). Tender and other relevant papers will be obtainable from the Accounts Section of the Authority at Narayanganj and Sadarghat, Dhaka during office hours (excepting the day of opening tender) on payment of Taka 400/- (four hundred) in cash (non-refundable) only for each work. Earnest money as mentioned against each work in the form of Bank Draft/Pay Order from any scheduled bank will have to be submitted with each tender.

The authority reserves the absolute power to accept any tender or reject all tenders without assigning any reason.

PR 99/98
DFF-23090-1/11/98
G-2473

Tofael Ahmed
Executive Engineer
BIWTA, Nganj Division, Nganj.



Kristina Kuhnel (2nd-L), Programme Manager of the Private Sector Development Division of the Swedish International Development Cooperation Agency (SIDA), and Lennart Konigson, extreme left, senior partner of Swedish Development Advisers, Sweden, called on R. Maksud Khan (2nd-R), President of Dhaka Chamber of Commerce and Industry (DCCI), at the Chamber office Tuesday. They discussed issues related to the progress and problems of privatisation and importance of the Fair Trade Practices Act to ensure competition in the economy of Bangladesh. Convenor of the standing committee on privatisation, foreign investment and joint venture of DCCI Lailun Nahar Ekram took part in the discussion.

Japan's motor vehicle sales drop

TOKYO, Nov 4: Japan's motor vehicle sales in October dropped 17.1 per cent from a year earlier to 322,556 units, the worst showing ever for the month, an industry group said yesterday, reports AFP.

It was the first time in nearly 17 years that all of Japan's 11 manufacturers saw a decline in sales, the Japan Automobile Dealers Association said in a statement.

The vehicle sales in October were also the 19th consecutive year-on-year decline, the association said.

"People are just not buying amid Japan's prolonged recession," said a spokesman for the association.

"Unless the economy picks up, we are not expecting any increase in auto sales in the future," the spokesman said.

Car sales in the month were down 14.0 per cent at 237,912 units with those of trucks plunging 24.8 per cent at 83,718 units by auto makers, Japan's largest Toyota Motor Corp. sold 141,217 units in the month, down 16.9 per cent as its rival Nissan Motor Co Ltd suffered a 13.6 per cent to 61,829 units.

IMF to discuss \$1b loan package for Jakarta

JAKARTA, Nov 4: The Board of Directors of the IMF is likely to meet later this