

Bid to salvage free-trade pact

India proposes tea export quotas to Sri Lanka

COLOMBO, Mar 15: India has offered quotas as a compromise to salvage a crumbling free-trade agreement with Sri Lanka after withdrawing at the last minute concessions on tea, officials here said yesterday, reports AFP.

New Delhi is proposing a tea export quota to Sri Lanka following the virtual collapse of the Indo-Lanka Free Trade

Agreement which should have gone into effect on March 1, officials said.

"The suggestion now is that (Sri Lanka) tea exports should be subject to a ceiling of about 10 million dollars a year," a trade official here said.

"This is a far cry from what was promised and makes a mockery of a 'free' trade pact," Tea and rubber are Sri

Lanka's main export commodities but India placed both on a "negative list" of products to be excluded from tariff concessions covered by the treaty just before its planned implementation.

Sri Lankan President Chandrika Kumaratunga, who signed the trade agreement on December 28 with Indian Prime Minister Atal Behari Vajpayee, told visiting Polish President Aleksandar Kwasniewski Saturday that she expected foreign enterprises to follow the developments closely.

Sri Lanka had been hoping that more foreign firms would invest here with the prospect of using the free-trade agreement to export to the vast market in neighbouring India.

Kumaratunga said she expected the free-trade pact to come into effect shortly but did not refer to the contentious issues over tea and rubber that have stalled its implementation.

Trade sources said that India was proposing the export quotas and as a compromise was also offering quotas on garments, one of Sri Lanka's main industrial exports. However, the quantities have not been specified.

There has also been no formal reaction from Sri Lanka to the Indian compromise plan. But businessmen here at the be-

ginning of the month decried New Delhi's U-turn on tea and rubber as an act of bad faith.

Sri Lanka had earlier focused on tea in a bid to reduce a huge trade gap favouring India by a ratio of 13 to 1.

Sri Lanka was planning to export about five to 10 million kilos (11 to 22 million pounds) of tea to India, which is the world's largest producer as well as the biggest consumer of tea.

Lanka has been trying hard to sell tea to India to make good the losses suffered as a result of the economic crisis in Russia, a key buyer of Sri Lankan tea.

India lifted a ban on tea imports in July last year, but imposes a 19.5 per cent tariff which makes Sri Lankan tea uncompetitive in the neighbouring market.

The trade pact envisages India elimination some of the import tariffs on Sri Lankan products within three years while Sri Lanka will take eight years to reciprocate.

However, Sri Lanka's import tariffs, which are already lower than those of India's, are to be brought down across the board by next year, making some of the Indian concessions redundant.

And with the exclusion of tea and rubber, Sri Lanka will have very little to export to India in any case.

LatAm states to dip further in crises

PARIS, Mar 15: Latin America will face further economic slowdown and may be hit by new outbreaks of financial turmoil this year, the Inter-American Development Bank warned on Monday, says Reuters.

Financial crises originating in Asia and Russia cut Latin America's growth by half to 2.5 per cent in 1998 from 5.3 per cent in 1997, and the outlook for 1999 is grim, the bank said in its annual report.

"It is going to be a difficult year, with less growth than last year," IADB President Enrique Iglesias told reporters before the start of the Board of Governors' meeting here.

Brazil, the region's powerhouse, faces severe recession as it battles with a currency crisis since devaluing in January, but Iglesias said the government was taking the right steps to deal with its massive deficit.

"I am very confident that these measures will stabilise the currency at a reasonable level," Iglesias said.

Slower growth, expansionary monetary policies and low interest rates in the industrialised nations should prompt a recovery of capital flows to emerging markets, auguring a more benign financial environment for Latin America, the bank said.

But it warned that "the possibility of new eruptions of instability cannot be dismissed," including sharp declines in the US equity markets.

Reduced world economic growth will also keep commodity prices depressed, posing a big challenge for several Latin American countries as they strive to hold on to hard-gained economic stability.



World Bank Vice-President and Chief Economist Dr Joseph Stiglitz along with high officials of the Bank's Dhaka office, met the members of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, at the chamber yesterday. Frederick T. Temple, Country Director of World Bank Dhaka office, Mahbub Jamil, President of MCCI, Mahbubur Rahman, President of ICC-Bangladesh, and M H Rahman, President, DCCI, are also seen. —MCCI photo

Global economic stability depends on free trade: US

WASHINGTON, Mar 15: The world economy stability depends largely on unfettered international trade, the US Treasury's Deputy Secretary, Lawrence Summers, said here yesterday, reports AFP.

"It is important that the world market lay open," Summers said at a meeting of the trilateral commission, a consultative body that includes top US, Japanese and European economy officials.

To illustrate his point, the deputy secretary described a chain of ties linking worldwide

economic growth with free trade.

He said the global economy depends increasingly on US growth which in turn relies on robust spending by US consumers and they have invested more and more in recent years in financial markets, which rely on free trade.

Without referring directly to current tensions plaguing US-European trade relations, Summers warned that a trend toward state-subsidised or state-protected markets would carry grave risks.

On a separate theme, he said a top goal now for the United States is to achieve a "soft landing" for its economy after eight consecutive years of growth.

For 1998, US growth was just under four per cent, economists expect 1999's performance will be just below 2.5 per cent.

The US expansion is a relatively healthy one — the growth of investment and exports has been relatively strong," Summers said, adding that inflation had been successfully held in check.

EU ministers claim progress towards financing reforms

REINHARTSHAUSEN (Germany), Mar 15: European Union foreign ministers claimed progress towards sweeping reforms of EU finances on Sunday but were still unsure they could meet their own deadline for an accord in 10 days time, reports Reuters.

"We have taken a decisive step forward here," German Foreign Minister Joschka Fischer told a news conference after holding a two-day summit at a Rhineland hotel near Wiesbaden.

But there is still detailed work to be done,"

Germany, the Union's biggest paymaster, is forcing the pace to reach an overall deal placing a cap on EU spending at a summit in Berlin next week. If not, Bonn says, the Union cannot afford plans to admit poor new members from eastern Europe.

Finance ministers meet in Brussels today and German Chancellor Gerhard Schroeder, whose government holds the EU's rotating presidency, embarks on a tour of European capitals.

"The chances of a deal are better than they have been before," British Foreign Secretary Robin Cook told reporters, adding he was confident of preserving London's special rebate on its EU contributions, despite complaints from its partners.

"We are closer to an agreement than we were yesterday," said Spain's Abel Matutes. He made no comment on remarks by others that one reason for their optimism was a perceived softening in Spain's defence of the aid it gets from Brussels.

But French Foreign Minister Hubert Vedrine, speaking two days after President Jacques Chirac called into question an

outline accord on farm subsidy cuts, cautioned that a historic comprehensive deal in Berlin was still only one possibility.

"It's not impossible for US to reach an agreement in Berlin."

But we will have to work very hard," Vedrine told reporters.

Despite the doubts voiced by Chirac and others not to mention farmers across the continent — Fischer and Jacques Santer, who heads the bloc's Executive Commission, said all 15 ministers agreed the basic deal cutting guaranteed prices on milk, beef and cereals should stand, albeit with fine-tuning.

Since farm spending accounts for about half the EU budget, the agriculture accord, hammered out in round the clock talks in Brussels last week, is a vital part of any deal in Berlin.

NBC, Sony in talks to forge worldwide ties

NEW YORK, Mar 15: NBC was secretly negotiating with Sony Corp to forge a worldwide relationship that would mean potentially enormous revenues for both companies, according to an article in the latest issue of the New Yorker magazine, says Reuters.

The deal would allow the television network access to Sony's west coast movie and TV studios and give Sony the broadcast cable — and internet distribution systems it lacks, the magazine reported in its March 22 issue due out on newsstands today.

The deal would also give NBC access to a music company, digital expertise and the world's foremost consumer-electronics brand name.

No one could be immediately reached for comment Sunday at NBC, unit of general electric or at the New York-based Sony Corp of America, a unit of the Japan-based Sony Corp.

BJMC Advertisement International Tender Notice

Dy General Manager, Hafiz Jute Mills Ltd, Bara-Aulia, Chittagong invites sealed quotations from manufacturers for import of spares for 4A-Carter Gear of Hibbert Dressing Machine on FOB/C&F Chittagong by Air/Sea under 21st JDRG-1st.

Tender documents be dropped in the tender box kept in the BJMC Planning Division, Adamjee Court, Motijheel C/A, Dhaka, Sattar Chamber, 99, Agrabad C/A, Chittagong & Mills office at 11.30 AM on 14.4.99 & the same will be opened on the same day at 12.00 Noon in presence of tenderers, if any. Tender documents in details of our requirement will be available (excepting opening date) from the General Manager (Finance) BJMC, Dhaka, Manager (A&F), BJMC, CZ, Chittagong & Dy General Manager (A&F) of mills on payment of Tk 70.00 per set.

BJMC:111 dt 7.3.99
DFP-4974-10/3

G-460

BCIC International Tender Notice

বিসিআইসি'র পণ্য শিলায়নে জাতীয় অর্থগতির প্রতীক

Managing Director, Karnaphuli Paper Mills Limited, 92, Sadarghat Road, Chittagong invites sealed quotation on C&F (C) Chittagong basis under any suitable source of financing for the following items under two envelope system:

Tender No	Materials	Opening date	Cost of tender
1. F/40/MPIC-21/36/99/POP	Lift Check Valve for Black Liquor/Steam	05-04-99	Tk 100/-
2. F/38/MPIC-29/61/99/POP	Ball Bearing	07-04-99	Tk 100/-

The quotation duly supported by 1% (min Tk 1000/-) earnest money will be received up to 11.00 AM in the mentioned date and will be opened immediately thereafter in presence of the tenderers, if any. The tender document on cash payment may be obtained from (a) Dy Chief Accountant, Karnaphuli Paper Mills Ltd, 92, Sadarghat Road, Chittagong and (b) Controller of Accounts, BCIC, 30-31, Dilkusha Com Area, Dhaka on all working days. No tender document will be sold on the date of opening.

BCIC 217-8/3/99
DFP-4961/10/3

G-463

Strengthening the Election Commission for Improvement in the Electoral Process Project Election Commission Secretariat

Project Office: 3/kha/1, Road No. - 1, Shamoli, Dhaka

NO. SECIEP/ED/8/98/202

Date: 9/3/99

Shortlisting of Firms for TV Programme

The Govt. of Bangladesh has received a grant from UNDP for the Project "Strengthening the Election Commission for Improvement in the Electoral Process". The Election Commission Secretariat responsible for executing the project intends to make a series of TV Film for Voter Education/Motivation etc. which will be financed from the grant.

For this purpose, offers are invited for shortlisting from firms interested in & capable of producing some TV Spots of high quality in playlet/drama/documentary/docudrama form for broadcast in BTv.

Shortlisting will be made as per the following criterion:

- Organizational capability and logistic facility;
- Firms general experience in the field of assignment;
- Company (Key personnel, Major clients).

Details of the criteria may be obtained through fax (812352) or through personal contact (Mr. Achintya Ratan Biswas, Junior National Consultant, Telephone: 810151)

Offers may be submitted to the project Office within 21 days of publication of this advertisement in sealed envelope marked "Offer for Shortlisting".

National Project Director

SMIDO chief wins int'l award

Star Business Report

Chairman of Small and Medium Industries Development Organisation (SMIDO) G H M Obaidul Hoque has been presented with an international award for his outstanding contribution to the small and medium enterprises development over the past 15 years.

The 110-nation World Association for Small and Medium Enterprises (WASME) gave the World Honour of Award '97 to the Bangladeshi entrepreneur at an international conference on small and medium enterprises at a Mumbai hotel recently.

WASME President Ki-Jung Ryu formally handed over the award to Hoque. Governor of Maharashtra was also present at the time of awarding. A press release issued in city Sunday.



SMIDO Chairman G H M Obaidul Hoque receives the World Honour of Award at a recent international conference on small and medium enterprises at a Mumbai hotel.

China to finance Turkish power project

ANKARA, Mar 15: Turkey's private energy firm Barnek has signed an agreement with Chinese firms to jointly build a 255-million dollar power plant in south west Turkey to be partly financed by Chinese loans, company officials said, reports Reuters.

Huseyin Arabul, president of Barnek Holding, told a ceremony where the agreement was signed on Friday night, that Chinese Eximbank would lend 130 million dollars to the project.

"We will also get 39.6 million dollars in commercial loans and some 30 million dollars more in bridge loans," Arabul told the agency after the ceremony.

The loans will be used to finance the construction of the 120-megawatt (MW) Sami Soydan Hydropower Plant in Mugla province under the build-operate transfer (BOT) model.

The Chinese Eximbank loan will have a 6.3 per cent annual interest rate and a maturity of 13 years including a five-year grace period.

Chinese Foreign Trade and Economic Cooperation Deputy Minister Chen Xinhua, who also signed the agreement, said the project was the first BOT project China was involved in Turkey.

"I hope this deal will bring more Chinese involvement in Turkey, with which we would like to increase our economic cooperation," he told the ceremony.

Exchange Rates

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

Currency	Selling TT & OD	Selling BC	Buying T.T Clean	Buying OD Sight Export Bill	Buying OD Transfer
US Dollar	48.7300	48.7700	48.3100	48.1570	48.0850
Pound Stg	79.5761	79.6414	78.3588	78.1107	77.9939
Deutsche Mark	27.5314	27.5540	26.5283	26.4443	26.4048
Swiss Franc	33.3539	33.3812	32.8193	32.7154	32.6664
Japanese Yen	0.4107	0.4110	0.4034	0.4021	0.4015
Dutch Guilder	24.4345	24.4546	23.5444	23.4638	23.4347
Danish Krona	7.1957	7.2016	7.0268	7.0046	6.9941
Australian	31.3724	31.3981	30.1116	30.0163	29.9714
Belgian Franc	1.3348	1.3359	1.2862	1.2821	1.2802
Canadian \$	32.2630	32.2895	31.3416	31.2424	31.1957
French Franc	8.2089	8.2156	7.9098	7.8848	7.8730
Hong Kong \$	6.3008	6.3060	6.2216	6.2019	6.1926
Italian Lira	0.0278	0.0279	0.0268	0.0267	0.0267
Norway Kroner	6.2503	6.2554	6.1526	6.1331	6.1239
Singapore \$	28.5304	28.5539	27.6215	27.5340	27.4929
Saudi Rial	13.0413	13.0520	12.8429	12.8203	12.7831
UAE Dirham	13.3044	13.3153	13.1167	13.0751	13.0556
Swedish Krona	6.0146	6.0195	5.9349	5.9161	5.9072
Qatari Riyal	13.4224	13.4334	13.2302	13.1883	13.1666
Kuwaiti Dinar	166.7123	166.8491	152.7347	152.2510	152.3234
Thai Baht	1.3063	1.3073	1.2929	1.2888	1.2869
Euro	53.8467	53.8909	51.8849	51.7206	51.6433

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

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
42.415/	50.150/	37.3/	3.7900/	8780/	1230/
42.422	50.250/	37.4	3.8000/	8800	1233

Amex notes on Monday's market

The USD/BDT market high demand for greenback. However, the rate ranged between 48.65 and 48.70. Even though there was T-bill payment of Tk 277.40 crore, the call market remained liquid and the rate ranged between 7.0 and 8.0%.

The dollar extended its losses against the yen in late Tokyo trade on Monday, slipping to near a one-month low as strong offers led by overseas operators emerged due to convincing rallies in Japanese share prices.

The dollar's undertone was also depressed against the yen after comments by Japanese Vice Finance Minister Eisuke Sakakibara, warning against excessive yen strength, failed to induce heavy follow-through dollar buying.

At 07:30 GMT the majors were traded against US \$ at 118.80/70 JPY, 1.7906/14 DEM, 1.4630/40 CHF, Euro at \$ 1.0920/25 and GBP at \$ 1.6274/84.

BCIC Re-Tender Notice

বিসিআইসি'র পণ্য শিলায়নে জাতীয় অর্থগতির প্রতীক

Managing Director, Chittagong-Urea Fertilizer Ltd, Rangadia, Chittagong invites sealed tender against tender No. CUFL/PUR/98-99/5(218) for supply of electrical goods. Tender documents are available at the cost of Tk 50.00 (fifty) only per set (1) BCIC, 30-31, Dilkusha C/A, Dhaka, (2) BCIC Branch Office, 06, Agrabad C/A, Chittagong, (3) CUFL, Accounts Dept during office hours. Tender will be received in the Purchase Section, CUFL, Chittagong and BCIC Branch Office, 06, Agrabad C/A, Chittagong up to 11:30 AM on 12.4.99 and to be opened immediately thereafter. No tender document will be sold on the opening date.

BCIC- 224-8/3/99

DFP-4954-10/3

G-462

Nousher Uddin Ahmed

Manager (Purchase)

for Managing Director

Government of the People's Republic of Bangladesh Ministry of Food Bangladesh Secretariat, Dhaka.

No MF/Admn-2/Machine-6/97-221 Dated: 08-09-1999/24-11-1405 Bang

Tender Notice

- Sealed tenders are invited from eligible dealer/agent/supplier for purchasing 2 (two) printers/installation as per prepared specification/schedule and terms and conditions for use in computers of the Ministry of Food.
- Any interested eligible dealer can purchase each set of schedule on payment of Taka 200/- (two hundred taka) in cash (non-refundable) through a written application to Assistant Secretary (Administration-2), Ministry of Food (Bhaban No 4, Room No 125), Bangladesh Secretariat or through personal contact till 24-03-99 during office hours.
- Tenders will be received by 12-00 Noon on 25-03-99 into the tender box kept at the Ministry of Food (Bhaban-4, Room No 117) and will be opened the same day at 12-30 PM in presence of tenderers/representatives of tenderers (if anyone remains present). No schedule will be sold on the day of opening the tender.
- Earnest money at the rate of 2.5% of the total cost of the printer as mentioned in tender in the form of Pay Order/Draft (refundable) from any scheduled bank approved by the government in favour of Assistant Secretary (Administration-2), Ministry of Food must be submitted with tender.
- To facilitate the purchase/deposit of schedule by the interested tenderers arrangements for issue of pass for entrance in the Secretariat will be made on the basis of contract.
- No schedule beyond the terms and conditions of schedule and tender by mail/courier service will be acceptable.
- The authority reserves the power to accept or reject any or all tenders without assigning any reason.

Bashudeb Nath

DFP-4985-10/3

G-459

Assistant Secretary (Admn-2)

Phone: 861022 and 863639-43 3453

BCIC Tender Notice

বিসিআইসি'র পণ্য শিলায়নে জাতীয় অর্থগতির প্রতীক

Sealed tenders are invited by the Sr General Manager (Construction), Construction Division, BCIC, 30-31, Dilkusha C/A, Dhaka from the reputed and experienced contractors enlisted with Govt/Semi-Govt/Autonomous Organizations for installation of 6" x 14" dia deep tubewell at BCIC Housing Colony Project, Bux Nagar, Mirpur, Dhaka at an estimated cost of Tk 8,98,666.43 (Taka eight lac ninety-eight thousand six hundred sixty-six and paisa forty three) only.

The intending contractors shall have to apply in duplicate along with the following documents in support of their capability to the Sr General Manager (Construction), BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka for taking prior permission for purchasing tender documents:

- Original work order and certificate of timely completion of works issued by an officer not below the rank of Executive Engineer for similar type of work.
- List of equipments they have in their possession duly certified by the officer as stated above at (a)
- Current renewal certificate of enlistment from the respective organization.
- Registration certificate of value added tax (VAT).

The documents submitted along with application will be returned afterwards in due course.

Tender documents may be purchased by these contractors who will be given permission to purchase the same from the Accounts Division, BCIC, 30-31, Dilkusha C/A, Dhaka upto 5.4.99 on payment of Tk 500/- (Five hundred) (non-refundable) per set.

Tender will be received up to 11-00 AM on 6.4.99 simultaneously at (i) BCIC Construction Division, 30-31, Dilkusha C/A, Dhaka (ii) BCIC Housing Colony Office, Bux Nagar, Mirpur, Dhaka and will be opened immediately after closing.

BCIC reserves the right to accept or reject any tender without assigning any reason thereof.

BCIC 220-8/3/99

DFP-4958-10/3

G-464

SA Fakir