

Deal with Chinese
co on Meghnaghat
power plant
site preparation

The Power Development Board has signed a Tk 1.41 crore deal with a Chinese firm for preparing the site for a 450-mw Combined Cycle Power Plant at Meghnaghat, reports UNB.

Officials said the China National Hydropower Engineering Corporation signed the contract on the Meghnaghat Site Preparation Project for groundwork for the largest power plant in private sector.

PDB Secretary Mohammad Iqbal Hossain Khan and Director of the Chinese company Huang Bao Ding initialed the agreement on behalf of the respective sides at the PDB office yesterday.

US Company AES has already signed a contract for building the power plant, financed entirely by the Bangladesh government, on the bank of river Meghna.

**BB treasury
bill auction
held**

The 29th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills of Bangladesh Bank were held Sunday, reports UNB.

A total of Tk 345 crore for 28-day bill, Tk 53 crore for 364-day bill and Tk 68.85 crore for 2-year bill, and Tk 15 crore each both for the 91-day and 182-day bills were offered.

Of these, Tk 255 crore, Tk 10 crore, Tk 5 crore, Tk 27 crore and Tk 7.85 crore for 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively, said a central bank press release.

No bid was offered for the 5-year bill.

The range of the implicit yield of the accepted bids against the 28-day, 91-day, 182-day, 364-day and 2-year bills were 7.78 per cent-7.85 per cent, 8.63 per cent-8.65 per cent, 9.30 per cent, 10 per cent and 10.30 per cent-10.33 per cent annum respectively.

**Russia hopeful
of winning new
IMF loan**

MOSCOW, Mar 22: Russia has a 75 per cent chance of getting a new loan from the International Monetary Fund to help cover its large debts, the Central Bank chief predicted Monday, reports AFP.

Viktor Geraschenko, the bank chairman, said the bank's hard currency reserves would not be sufficient to keep the ruble stable and to pay off the country's foreign debts for much longer.

He also acknowledged that "restructuring (Russia's debts) was a necessary thing."

Prime Minister Yevgeny Primakov heads to Washington on Tuesday and his talks this week will include a meeting with IMF chief Michel Camdessus.

Russia is seeking at least \$4 billion in new loans, Geraschenko told the Interfax news agency. An IMF team was in Russia last week but left without any sign that it was prepared to recommend new loans for Russia.

Russia faces \$17.5 billion in foreign debt payments this year, and has said it can only pay about half that amount without receiving additional loans.

Asked about the prospects for an IMF loan, Geraschenko said, "maybe not 100 per cent, but 75 per cent to 25 per cent."

The IMF froze loans to Russia after the country's financial markets collapsed last August.

**Foreign fast food
firms flourish
in Pakistan**

KARACHI, Mar 22: Business has boomed for foreign fast food firms in Pakistan since they arrived here two years ago and began to change the eating habits of city-dwellers rich and poor, reports AFP.

Besides affluent regulars, even low-income families spare what they can from meagre budgets to treat children fascinated by the craze, customers say.

"This is the third time this month my son has forced me to buy dinner from McDonalds to get the gift of a super shifter car toy," Anjum Niaz told AFP at the crowded super-eatery in this port city.

Kentucky Fried Chicken (MFC) opened its first restaurant in Karachi in 1997 and was quickly followed by four other American companies.

The first pizza hut outlet was set up two years ago in the sea-side Clifton area here and Mr. Burger opened its first outlet last year.

KFC now has eight restaurants in Karachi and another two in Lahore, the second largest Pakistani city. McDonalds runs one here and two in Lahore.

"I enjoy this food which has become a craze worldwide. I take it as normal meal everyday," said Samina Anjum, an affluent fast food fan.

"Our Prime Minister (Nawaz Sharif) is also fond of fast food," she said, recalling the premier's visit to one of the restaurants in Karachi.

**Pakistan plans power price cut
defying IMF aid condition**

ISLAMABAD, Mar 22: Pakistan's troubled power utility WAPDA was reported here to be considering cutting electricity prices despite IMF pressure to raise them as part of a rescue package for the faltering economy, reports Reuters.

"Instead of going for the much talked about increase, we have now requested a tariff reduction," an unnamed senior official of the Water and Power Development Authority told the News newspaper's Sunday edition.

If confirmed, the tariff reduction would worry western donors who are already concerned about Pakistan's compliance with IMF targets for a bailout package in the wake of sanctions imposed for last May's nuclear tests.

Donor sources said governments were already concerned that Prime Minister Nawaz Sharif's administration might throw the economy out of the IMF's strict spending matrix by launching costly schemes to kickstart a depressed economy.

They said that the country's

authority (NEPRA) to increase tariffs in favour of a cut NEPRA was set up as an independent commercial regulator.

The reports follow a statement last week by Water and Power Minister Ghulam Ayub Khan that a cut might stimulate demand and raise more revenue than an increase agreed with the International Monetary Fund earlier this year.

There was concern among donors that plans to increase pay for the army, lift a ban on recruitment for the civil service and reports that Sharif was considering launching a job-creation scheme were all viewed warily by donors.

Earlier this year the IMF finally released tranches of a 1.56 billion dollars loan which had been frozen by anti-nuclear sanctions and allowed that government to negotiate rescheduling of some of its 32 billion dollars debt with Paris Club donor

countries.

The disbursement boosted

Pakistan's reserves to around 1.6 billion dollars after touching lows of 400 million dollars, barely a month's import cover.

but economists said the IMF terms gave Pakistan no leeway and imposed strict spending and collection targets.

"It was a keep-you-aflloat package, and a lot of governments felt that this was a final chance for Pakistan to comply properly with IMF conditionalities, something it has signally failed to do in the past," one donor diplomat said.

WAPDA is seen as a crystallization of Pakistan's economic woes, it has a 65 billion rupee (1.3 billion dollars) deficit, most of which is owed by provincial authorities, government departments and the army, according to published figures.

Theft of power through illegal connections and tampering with metres is so widespread that Sharif this year used the army to collect bills and stamp out pilfering in a move which sharply raised the military's profile in the country's affairs.

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**Service to ensure uninterrupted calls, quality voice
CityCell comes up with
multiple access system**

Star Business Report

of the Pacific Group of Companies, while talking to the Daily Star about the new technology.

To enjoy the CDMA service,

a user will need a Motorola or Samsung set, which would be made available through two local distributors, he said.

Any GSM cellular phone user of CityCell can have his set changed for another having CDMA chip. He will only have to deposit his old phone set and get the new one for free from CityCell.

With the current services available for GSM set users, the CDMA service also promises to provide a wide range of facilities like checking e-mails, passing brief messages not exceeding 28 characters, hot-line services and tele-banking services with the ANZ Grindlays, Stan-

dard Chartered and Hongkong Shanghai banks.

The phones would also have a list of doctors available round-the-clock, 24-hour air-line timetable, railway schedule and stock reports, according to Khan.

Besides, a CDMA phone user, unlike the GSM users, will be able to know his phone bill any time by using a password.

The 30 million dollar project aims to provide the new service to as many as 100,000 subscribers.

CityCell's infrastructure for CDMA has been provided by Motorola while ANZ Grindlays, City Bank, UCBL, Prime Bank, IPDC and NCCBL were the major financier of the project.

**G7 mulling over waiving \$20b
loans to poorest nations**

TOKYO, Mar 22: The Group of Seven (G7) industrial powers are considering waiving all their official development aid, worth some 20 billion dollars, to the world's poorest nations, a press report said here, reports UNB.

Microfinance — providing the poor with loans, savings facilities and other financial services such as insurance — is recognised as a powerful tool for poverty reduction and has been particularly successful in countries such as Bangladesh and Indonesia, says the ADB.

However, despite the rapid growth in microfinance services in the region, less than five per cent of poor households in the Asia and Pacific region have access to formal financial services, the Bank's Dhaka mission said in a news release on the grant yesterday.

The ADB strategy will in-

clude expanding access of the poor to such services.

An ADB Taskforce on micro-

finance will carry out in-country consultation in several develop-

ing member countries of the bank.

Other activities under the technical assistance will in-

clude a regional workshop in Manila to obtain further inputs for the strategy and a study of the role of central banks in microfinance development.

The consultations and the

study will cover 12 countries — Bangladesh, China, the Philippines, India, Indonesia, Kyrgyz Republic, Nepal, Pakistan, Papua New Guinea, Sri Lanka, Vanuatu and Vietnam.

Japan's crude steel output in

the year is seen likely to fall be-

low 90 million tonnes for the

first time in 28 years due to a

slowdown in exports as well as

sluggish domestic demand, Ky-

odo quoted analysts as saying.

Steel exports from Japan will drop to around 20 million tonnes, down from an esti-

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the year to March 1999, Kyodo

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Japan Iron and Steel Exporters

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Officials at Japanese steel-

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