LGED takes up 19 projects in Kishoreganj

KISHOREGANJ, Apr 18: Local Government and Engineering Department (LGED) has taken up 19 development pro-jects in the district in 1998-99 fiscal year, reports BSS.

According to official sources, the government has sanctioned Tk 1.54 crore for implementation of the projects. The projects included con-

struction and reconstruction of bridges and culverts, development of rural infrastructure and important markets of the district and emergency flood rehabilitation activities. About 60 per cent of the work has been completed.

ROK won't pursue to boost economy

SEOUL, Apr 18: South Korea said yesterday it will not seek "temporary and unreasonable" policies to boost its economy, even though it aims to achieve at least two per cent economic growth this year, reports

The country would concentrate on providing a "solid and continuous growth basis" aiming at four to five per cent growth from next year after restructuring is completed, a statement from the presidential

office said. The statement was released in conjunction with President Kim Dae-jung's monthly news conference with local reporters

South Korea would seek to complete restructuring in four major sectors - financial, corporate, state-run corporations and labour-management relations, it said.

Commenting on the Central Bank of Korea's recent economic growth forecast of 3.8 per cent this year, the statement said the government would not be overly concerned about the specific level of growth.

"What is important is to improve our economic conditions. not to be obsessed with one or two percentage points," the statement said.

"It is desirable to see the economy improve rapidly if it helps to create jobs, but the government cannot delay restructuring."

Italian wine industry pioneer dead

PERUGIA, (Italy) Apr 18: A pioneer of the Italian wine industry, Giorgio Lungarotti, has died at the age of 88, his family said Saturday, reports AP. He died at a hospital in Pe-

rugia late Friday.
Lungarotti founded the family company bearing his name in 1962 near Perugia in the province of Umbria and turned it into one of Italy's more innovative vineyards, introducing new techniques in planting and cultivation and experimenting with new varieties of grape.

He pioneered the drive for higher standards in the Italian wine industry and his Rubesco became one of the first wines in Italy to win the new regional designation DOC in 1968.

In recognition of his services to the entire Italian wine industry. Lungarotti was made a Knight of the Order of Labour Merit of the Italian Republic in

Lungarotti also founded the Museum of Wine, along with his wife, Maria Grazia. The couple also created a renowned luxury inn, Le Tre Vaselle, on their es-

tates at Torgiano. He is survived by his wife. and two daughters, Teresa and Chiara. All three are active in the family business.

The family said the funeral will be on Monday at the church of San Pietro in Perugia.

Japanese firm faces patent infringement charges in US

MOLINE, Illinois, Apr. 18: Deere and Co has sued Kubota Corp, charging that the Japanese company copied a component in Deere's line of lawn and garden tractors, reports AP.

The patent infringement lawsuit was filed last week in US District Court in Rock Island, Illinois, and names as u*fendants Osaka-based Kubota. Kubota Tractor Corp of California and Westbay Equipment Co of Monmouth, Illinois.

Deere claims Kubota has violated one of its patents over the past year by manufacturing and selling tractors with a suspension mechanism designed to ensure even grass cuts and to allow the easy installation of implements such as a mower

Kubota denied its design infringes the Deere patent.

Kubota intends to vigorously protect its rights with respect to the technology in dispute," Larry Nenneman, a spokesman for Kubota Tractor. said in a statement Monday. Deere says it patented the

design in 1991. "We cannot allow others to misappropriate our designs to use on their products." Deere spokesman Ken Golden said Monday. He noted that Deere has invested more than \$1.8

billion in research and development in the past five years. Deere asked the federal court to permanently stop Kubota from infringing the patent and award Deere unspecified mone-

tary damages. Westbay Equipment is named as a defendant because Kubota products are sold there and it is in the jurisdiction covered by the federal court in Rock Island, Deere said.

Debt write-off move for poorest nations

EU finance ministers hope to work out common approach

DRESDEN (Germany), Apr 18: EU finance ministers said on Saturday they hoped to produce a common proposal on debt relief in time for a June summit where the main economic powers aim to agree a huge debt write-off for the world's poorest, reports Reuter.

French Finance Minister Dominique Strauss-Kahn said the aim was to merge overlapping proposals, mainly from Britain, France and Germany, temporary' policies and put one coherent proposal to a meeting of the Group of Seven powers in mid-June. "We all recognised there are

proposals coming from anywhere and everywhere and that if we want this to work we need to have a common project," Strauss-Kahn said after a meeting of the 15 European Union finance ministers.

"In all honesty it's not an issue where we should be trying to sell the line to our own public

go on like that it will do nothing for the countries concerned," he said.

Britain, France and Germany have all presented proposals to speed up debt relief for countries trapped in a vicious circle of poverty and economic struggle by interest payments along.

The debts of the 50 poorest countries in the world, many of them in Africa or Latin America, top \$350 billion, according to Jubilee 2000, a charity movement campaigning for a big push on debt relief on the way into the new millennium.

Although the G7 nations are falling over one another with proposals to slash debt by tens of billions of dollars, the big battle is over who picks up the

France, for example, objects to proposals by US President Bill Clinton to scrap \$70 billion

would lump France with too much of the bill Before the transatlantic

showdown, the three main European protagonists have to sort out their own differences. Strauss-Kahn said they

hoped to hammer the issue out when finance ministers met again in May and put their ideas to EU leaders for approval at an EU summit in Cologne in early June, shortly before the G7 meeting in the same German

Between now and then, finance ministers from the G7 powers meet on April 26 during an International Monetary Fund meeting in Washington, where they could broach the subject of selling IMF gold to help reduce poor countries multilateral debt.

Germany is the main outstanding obstacle to sales from the IMF's stockpile of some 103 opinion that one or another is in debt, on the grounds that the million ounces of gold, althe most generous, because if we fine print of Washington's plan though top IMF officials are not ruling out a sale agreement at IMF talks the day after G7 ministers meet

Germany's new Finance Minister, Hans Eichel, said during the EU meeting here that his government's position had softened, but made it clear the German central bank still had to be won round.

Bundesbank President Hans Tietmeyer, who has strongly fought the idea on the grounds it would harm IMF credibility and fuel inflation pressure, remained elusive at the EU finance meeting.

"The Bonn government and the Bundesbank will have an appropriate agreement at the right time," he said.

Britain is proposing up to \$50 billion in debt relief and, along with France and Germany, pushing to speed up the rate at which the needlest get help under a slow-moving debt relief programme for the socalled Highly Indebted Poor

Indian shares cautiously await new govt

BOMBAY, Apr 18: Indian share prices are expected to move nervously this week as the markets await a new government and its economic policies, brokers said today, reports

The 30-share Bombay Stock Exchange (BSE) sensitive index fell 114.20 points or 3.3 per cent to 3,327.00 points at close of trade Saturday over the previous week's close.

The 100-share national index fell 66.20 points or 4.4 per cent to 1,444.60 point day.

The sensitive index plunged almost seven per cent during a special trading session held yesterday, when Prime Minister Atal Behari Vajpayee's coalition government was ousted after losing a confidence

The shock reversed a six per cent gain the previous day notched up after Vajpayee's coalition appeared to have won enough support to survive Saturday's vote.

"The market will open Monday very, very cautiously. Everything is in an uncertain zone," said Jaswantlal Parekh,

former president of the BSE. adding the markets were awaiting "the new prime minister and the finance minister."

The main opposition Congress party was holding talks on forming a new government - possibly with its Italian-born leader Sonia Gandhi as premier.

Japan's JGC Corp to cut 500 jobs

TOKYO, April8: JGC Corp., a major Japanese engineering company, said Friday it will slash 500 workers over the next two years in a campaign to cut costs, reports AP.

The job cuts, to affect about 20 per cent of JGC's 2,500-member workforce, will be met through attrition and an early retirement programme, JGC spokesman Akihito Kurata

The move is the latest a series of cutbacks for corporate Japan as companies struggle through the nation's deepest recession since World War II and the region's economic crisis.

Weekly Currency Roundup

Stockbroker 'Ajit Ambani said business volumes would be thin as most market operators have moved to the sidelines.

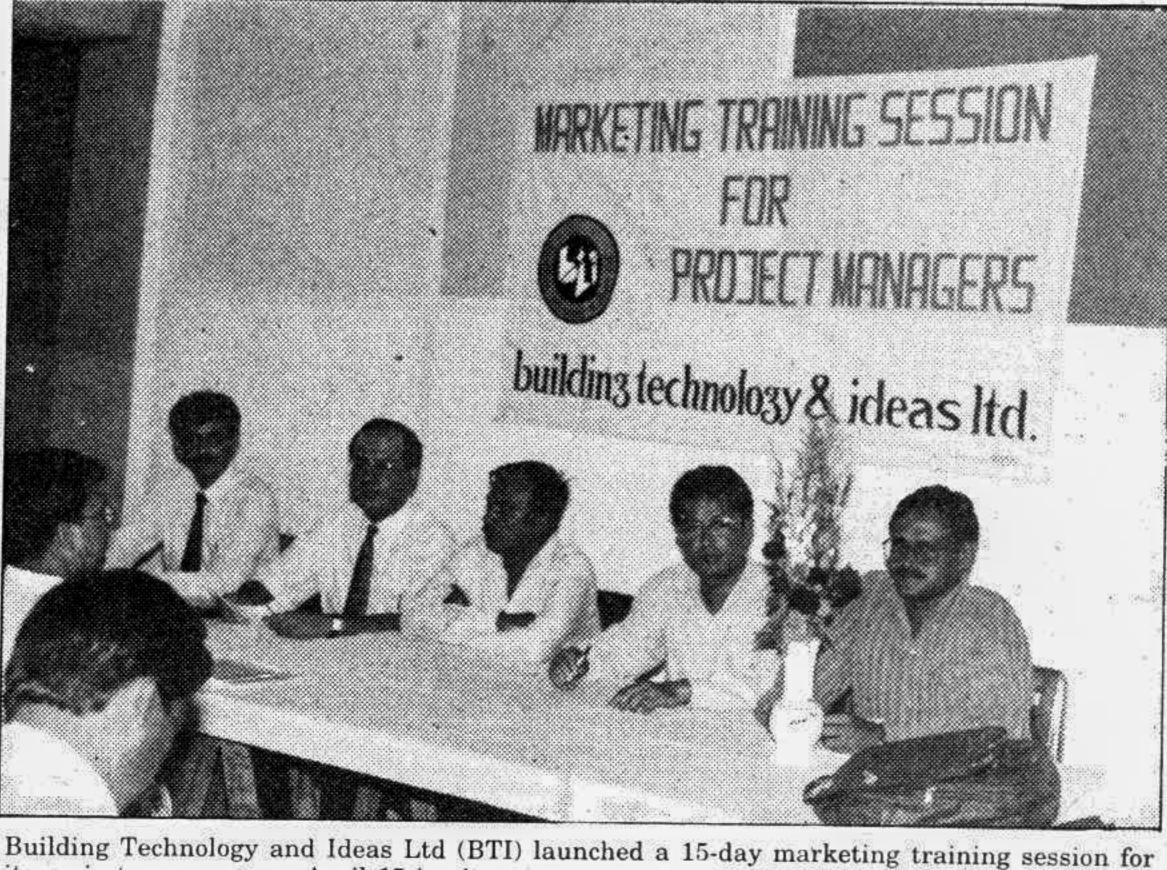
"A lot of people had their fingers badly burned on Saturday. So the market will prefer to move in a narrow range till it is clear whether or not the budget will be passed."

Ambani said the market would open Monday "with its fingers crossed" but there could be a slight uptrend if there is any indication of the budget being passed.

Finance Minister Yashwant Sinha's deficit-cutting budget was seen by industry and markets as leading the way for an economic revival after more than two years of slowdown.

GMC Balayogi, the speaker of India's parliament, has called a meeting for Monday of all political parties to ensure the passage of the Finance Bill linked to the national budget for the fiscal year beginning April 1.

If the bill is not passed before a May 13 deadline, the budget proposals unveiled by Sinha will become invalid.



its project managers on April 15 in city. — BTI photo

Polish economy seen slowing down sharply in '99

WARSA, Apr 18: The Polish economy which is widely seen as the most dynamic economy in eastern Europe, is likely to slow sharply this year to show growth of less than five per cent, economists warn, reports

The Polish economy has wolfed down growth rates of significantly more than five per cent in the last few years but the crisis in Russia, coupled with other crises in the world economy, are likely to undermine growth.

According to economists, growth rates in the European Union will play a vital role in the polish economy's perfor-

Aware of the impending slowdown and its consequences, Finance Minister Leszek Balcerowicz has issued several warnings to prepare poles, who, buoyed by years of strong growth, may be overly optimistic for the future.

"It must be said in all seriousness that in 1999 we are going to be running against the wind, because global economic growth is clearly worse than what was predicted a year ago or even a few months ago," he recently told the Polish weekly

In 1998, growth will not reach the official target of 5.6 per cent. Some economists have predicted a figure slightly lower than five per cent. Growth totalled 6.8 per cent in 1997, 6.1 per cent in 1996 and 7.0 per cent

For 1999, the government said it expects growth of 5.1 per cent, while independent economists' estimates range from 3.75 to 4.5 per cent.

"Growth will not be harmonious during the year. We predict a particularly weak growth at the end of 1998 and during the first months of 1999 before a strengthening in the summer," the Societe Generale said in its latest growth outlook.

According to James Owen, an economist at Societe Generale, Polish authorities must be prepared to take measures to ensure a "soft landing" for the Polish economy.

Bank Handlowy, one of the top four banks in Poland, privatised in 1995, has forecast growth of 4.5 per cent in 1999 and a sharp decline in current account figures as a result of stagnating exports and a continuation of skyrocketing im-

On Thursday, the Polish Central Bank (NBP) cut its discount rate from 18.25 per cent to 15.5 per cent because inflation was falling, but analysts said the reduction was intended

to boost the flagging economy. The bank also reduced the Lombard rate from 20.0 to 17.0 per cent.

750,000 Philippines work abroad in '98

MANILA. Apr 18: More than 750,000 Filipinos worked overseas last year, most commonly as domestic servants, factory and construction workers in Saudi Arabia, Taiwan and Hong Kong, labour officials said Sunday, reports AP.

The workers remitted a total of \$4.9 billion (186 billion pesos) to the Philippines in 1998, helping ease a sharp contraction in economic growth, according to the Philippine Overseas Employment Administra-

POEA officials said about a

fifth, or 158,148 of the 755,584 Filipinos were employed in Saudi Arabia.

Other important destinations of Filipino workers last year were Japan, which employed 38,122 Filipinos, the United Arab Emirates with 26,737, Kuwait with 15,359, Singapore with 13,373, Brunei with 12,337, Italy with 10,737 and Qatar with 8,282 Filipino workers.

The figures of overseas workers are believed to be higher as many Filipinos work abroad illegally.

15-day training for BTI project managers starts

Building Technology and Ideas Ltd (BTI), an ISO 9001 certified real estate developer, arranged a training session for its project managers, says a press release of the company yester-

BTI said policy aims at grooming its people to the op-timum so that they can provide proper and effective services and solutions to their clients.

Md. Sadat Salim. Director, Sales and Marketing, and JA Patwary, Director, Construction attended the programme, while Kazi Zubaid, Sr Executive, Sales and Marketing, conducted the training session.

Myanmar delivers 2nd vessel to S'pore co

YANGON, Apr 18: Myanmar has delivered the second vessel, a vehicle carrier, to a Singapore marine company, reports Xin-

The MV Jaya Transporter, built by the state-run Myanmar Shipyards for the Jaya Marine Lines Pte Ltd of Singapore, was launched here Saturday, official newspaper The New Light of Myanmar reported today. The carrier, 56.45 meters long and 12 meters wide and 3.4

meters keep with a draught of 2.2 meters to be manned by a crew of 22, has two 540-HP engines capable of carrying 640 tons of freight. The carrier was built at cost of 1.85 million Singapore dollars (about 1.1 million US dol-

lars) under the international vessel inspection organisation. The Myanmar Shipyards signed the contract with the Singapore company in May 1997 to build two such vessels and the first one was launched in November last year.

Manila slashes '99 investment target by 25 per cent

MANILA, Apr 18: Philippine investment targets this year have been slashed by 25 per cent to 300 billion pesos (eight billion dollars) due to the continu ing fallout from the Asian fi nancial crisis, official sources said today, reports AFP. The Board of Investments

said the new target was contained in the 1999 list of investment priorities. Trade Department sources

said the lower target took into account the lingering effects of the turmoil, which has forced eight multinational firms either to close down or downgrade their Philippine operations.

Last year the board registered only 267 billion pesos in investments, falling short of its original target of 400 billion pesos.

Asia-Pacific units strengthen

HONG KONG, Apr 18: Most currencies in the Asia-Pacific region strengthened against the dollar in a week that saw investors snapping up shares in leading regional markets, reports AFP.

Japanese yen: The yen gained ground against the dollar over the week in an upswing partly fuelled by foreign investors looking to snap up rising Japanese shares, dealers

tary authorities might step in to check its progress. The Japanese unit fetched 118.21-24 to the dollar late Friday, up from 120.95-98 to the

fears that the Japanese mone-

But its upside was capped by

dollar a week earlier. The yen zoomed up on Wednesday on a report that Japanese life insurers may cut their foreign-currency bond holdings. It stood at 119.17-21 to the dollar late Wednesday. Speculative buying by for-

eign investors boosted the yen

81 to the dollar in late trading. On Friday, the yen rose against the euro, as the Yugoslav situation worsened,

on Thursday to peg it at 118.78-

lifting its value against the dollar in cross trading. Australian dollar: The Aussie could benefit from an improving outlook in commodity markets in the week ahead, analysts said.

"A firmer tone to commodity prices should enable the Australian dollar to hold on to its recent gains," said Commonwealth Bank economist Michael Blythe. Commodity prices were be-

ing helped by an improving outlook for the world economy and the Australian dollar should benefit from the country's heavy link to resources.

The Australian dollar closed Friday at 64.28 US cents from 62.82 the week before. On the Reserve Bank's Trade Weighted Index, the Aussie

closed at 57.0 from 56.1 the

week before.

Singapore dollar: The Singapore dollar ended higher against the US dollar over the week to 1.7030 from 1.7343 the previous week.

Hong Kong dollar: The Hong Kong dollar closed at 7.7478-7.7488 to the greenback compared with 7.7478-7.7488 a week ago.

Indonesian rupiah: The Indonesian rupiah was trading at 8,660 to 8,680 to the dollar towards 'close Friday, slightly stronger than the previous week's close of 8,717 to the greenback after opening at about 8,650.

Philippine peso: The Philippine currency closed one per cent higher at 38.15 pesos to the dollar on Friday from 38.50 pesos a week ago.

South Korean won: The South Korean won strengthened against the US dollar, closing the week at 1217.00 won, compared to the close of 1223.10 won last week.

HK firm charged

Weekly Arab Stocks

Markets fall despite rise in oil prices

RIYADH, Apr 18: Arab stock markets mostly fell this week despite a recovery in oil prices above the 15-dollar mark, Riyadh-based investment specialists Bakheet Financial Advisors said Saturday, reports

Oman led the winners for a second week with a 1.8 per cent rise in its MSM Index to 237.55 points, "which continues to show a strong bullish sentiment driven by oil prices and strong buying by mutual funds," Bakheet said.

Bahrain also continued to perform well as its BSE Index rose 0.9 per cent to 2,151.33 points, while the Palestinian Jerusalem Index climbed for a second week, this time by 0.6 per cent to 163.09 points, led by PALTEL stocks.

The Kuwait Stock Exchange (KSE) index closed the week up 0.4 per cent from a three-year low at 1.494.4 points, amid a lack of investor confidence and as analysts said they suspected investors of manipulating the market.

But that was end of the gains for the Arab bourses this week as profit taking hit some of the larger bourses following a string of gains after OPEC's decision last month to reduce production again.

The Saudi bourse, the Arab world's largest, lost ground on profit taking with its NCFEI

all-shares index dropping 3.2 per cent to close at 1,465.15 points. It had gained 17 per cent over the past month.

Jordan's AFM Index led the losers with a 3.4 per cent drop to 172.59 points "due to the downward trend in blue chip companies, especially Arab Bank, which recently announced poor growth in profits in 1998, Bakheet said The United Arab Emirates

also fared badly with a 3.3 per cent decline in its NBAD Index to 3,600.34 points. The index has lost 11.6 per cent in the past three months. Lebanon's BLOM Index con-

tinued a string of bad results. falling 2.4 per cent to 654.00 points, dragged down again by Solidere stocks which this week hit another all-time low of seven dollars. Lebanon has been worst performing Arab stock market so

per cent since the start of Jan-Qatars DSM Index fell 1.3 per cent, ending the week at 126.50 points, down 9.6 per cent in the past three months. Egyp-

far this year, with a drop of 28.3

t's Prime General Index fell 0.5 per cent to 449.72 points. Tunisia's BVM Index dropped 0.2 per cent to finish the week at 565.63 points while

Morocco's CSE Index fell 0.1 per

cent to 777.64 points.

for exporting computer to China HONG KONG, Apr 18: A Hong

Kong company is in court for allegedly selling a supercomputer to a mainland Chinese military institute that develops weapons, a newspaper reported Sunday, reports AP.

Automated Systems (Hong Kong) Ltd. allegedly sold a Sun Microsystems high-performance computer to the Changsha Institute of Science and Technology, which develops advanced weapon systems for China's army, the South China Morning Post reported. The institute is located in the southern Chinese province of Hunan.

Automated Systems was charged on three counts of importing and exporting strategic commodities without a licence. The company, which denies the charges, was represented in Hong Kong's Sha Tin Court on Wednesday and the case was adjourned until next month, said a Hong Kong Customs spokesman, who was not named by the paper.

The report did not say who brought the charges against the company, but it said US customs officials uncovered the 1997 computer sale.

Automated Systems director Edward Lau Ming-chi said that one computer had been returned to the United States, the paper reported. The sale was made by a

mainland trading arm of Automated Systems that has since been spun-off from the company, Lau said. No one answered phone calls made Sunday to Automated

Systems, the Changsha Insti-

tute, or Hong Kong customs.

New Indian govt may arrest negative fallout on economy

The tiny party's flip-flop

sent the stock markets into a

bullish tizzy and share prices

moved up significantly in the

NEW DELHI, Apr 18: The fall of the Atal Behari Vajpayee government is likely to impact on the Indian economy which had been showing signs of re-

However, if an alternative Congress-led government were to be put in place in the next days to end the political uncertainty, the negative fallout on the economy would be minimised. The fiscal budget for the financial year which began on

April 1 is now a non-starter although Congress leader Arjun Singh told journalists soon after the defeat of the confidence motion in Parliament by a single vote that his party would not place obstacles in the passage of the Finance Bill for 1999-2000. If this does happen, it would

welcome development. Once a government loses its majority, the practice in the past has been to get members of Parliament to pass a vote-onaccount as an interim measure to keep the wheels of govern-

indeed be an unprecedented and

ment moving for a period of four months. That is, till a new government is in place which formulates its own budget.

In fact, when Finance Minister Yashwant Sinha was asked what would happen to his budget since the government had been defeated on the floor of Parliament, he was ambivalent. He said he would not be surprised if a vote-on-account was

placed by the new government which is expected to replace Vajpayee's government. Once a vote-on-account takes place, the old budget would become defunct for all

practical purposes. In fact, the Constitution states that if the Finance Bill is not approved by Parliament within a period of 45 days from the presentation of the budget or if a vote-on-account takes place, it becomes obligatory on the part of the government and the revenue authorities to reimburse the new taxes which had been collected in the interim period.

While this would obviously be a cumbersome and inconvenient process, chances are that the government would not have to pay back new taxes it has already collected from innumerable individuals and corporate bodies if the Congress sticks to its word and allows the existing Finance Bill to be passed, perhaps with a few minor modifications. As the debate on the confidence motion started on Thurs-

stockmarkets was pretty depressed. The sensitive index of the Bombay Stock Exchange had gone up by roughly 12 per cent in the first ten days after the presentation of the budget in

late February. The gain had been almost entirely wiped out after the All India Anna Dravida Munnetra Kazhagam (AIADMK) led by Jayalalitha Jayaram announced that it had withdrawn its support to the Vajpayee government On Friday afternoon, as the

debate on the confidence motion was going on in Parliament, the four-member Indian National Lok Dal (INLD) did an about-turn and announced it was not going to oppose the Bharatiya Janata Party (BJP)led government. The INLD had earlier with-

By Paranjoy Guha Thakurta drawn its support to the Vajpayee government on the ground that it was working against the interests of farmers.

day, the mood in the country's belief that the government would be able to stay on. The market opened higher on Saturday morning when a special session of trading commenced. In the afternoon, after it became known that the government had lost the confidence vote, the sensitive index

collapsed once again.

ernment is in place. The economic policies followed by an alternative government which either comprises the Congress party or is led by it will not be very different from the policies of the outgoing Vajpayee government. On a wide cross-section of is-

sues, the two largest parties in

the country, the BJP and the

Congress, have more or less

The markets appear un-

likely to pick up till a new gov-

similar positions. Representatives of prominent foreign institutional in-

vestors (FIIs) like Morgan Stanley have argued that a Congressled government could attract more foreign direct investment.

As a matter of fact, the thrust of the criticism of the BJP-led government's economic policies articulated by former Finance Minister and Congress leader Manmohan Singh was that there had been a sharp drop in FDI flows to the extent of nearly 40 per cent over the last year.

Singh was considered the architect of the economic liberalisation programme initiated by the Congress government headed by Prime Minister P. V. Narasimha Rao from the middle of 1991. Though Singh's policies were

criticised by the Left and even a section within the Congress, the overall direction of his economic reform policies was continued by successive centre-left United Front governments (between May 1996 and February 1998) and also by the BJPled government.

The BJP and the Congress agree on a number of economic issues: These include the need to

open up the country's insurance sector to privately-owned Indian and foreign companies as well as the need to privatise sick government-owned enterprises. Even on the speed at which

grated with the rest of the world, the differences between the two parties are relatively minor. If there is considerable consensus on economic policies among most of the major political formations in the country.

India's economy should be inte-

the Indian economy? The answer to this question is that economies the world over grow faster in an atmosphere of political stability and India is no exception. Psychological factors influence the decisions of investors as well as consumers, which is why expectations have taken such a bat-

tering. In his first reaction to the Vajpayee government's fall, Rajesh Shah, president of the Confederation of Indian Industry, said that an early end to political uncertainty was the

key to industry and investment confidence. Political uncertainty always

affected capital markets and investment climate, as reflected in the decline of the stock mar-It was therefore imperative,

Shah said, that formation of a new, stable government was completed expeditiously so as to restore sentiment and confidence. In this context, one question has kept popping up in recent political discourse. Can the

working of the Indian economy not Italy. And politicians, not

tion changes, it would be futile to expect the economy to be insulated from the polity. Hence, the faster an alternative government is in place, the better India Abroad News Ser-

why then do political upheavals have such a severe impact on be isolated from political developments? Not at all. Many would like the answer to this question to be in the affirma-But the fact is that India is

for the country's economy.

bureaucrats or technocrats, are responsible for shaping economic policies. Till this equa-