

ADB urges its wealthier members

Start talks on replenishing fast-depleting funds

MANILA, Apr 30: The Asian Development Bank (ADB) said today that its role was expanding in the aftermath of the regional financial crisis, and asked its wealthier members to quickly begin talks on replenishing fast-depleting funds, reports Reuters.

The economic downturn itself appeared to be abating with several affected nations beginning to show signs of recovery but the social impact would continue into the medium-term, ADB president Tadao Chino said.

Chino was opening the 32nd annual meeting of the Manila-based multilateral agency.

"The crisis is causing social turmoil throughout the affected economies in such areas as employment, human development, poverty and social capital," Chino said.

"While the crisis has highlighted the importance of addressing emerging issues such as banking and corporate sector restructuring, the banks' basic development challenges remain as significant as ever."

"We will centrally be hard-pressed to meet the needs of the region in coming years."

Both Chino and Philippine Finance Secretary Edgardo Espiritu, the chairman of the bank's board of governors, appealed for a quick start to talks on replenishing the ADB's soft-loan Asian Development Fund (ADF).

ADF loans typically carry a one per cent annual interest rate for the first seven years, rising to 1.5 per cent annually from eight to 12 years. They are usually given to the poorest among the bank's member-nations.

Funding for the ADF is arranged every four years, and in

its current cycle, which runs until the end of next year, there is only about \$1.2 billion left from an initial \$6.3 billion.

"Even those ADF borrowers not so directly or immediately affected by the regional financial crisis are experiencing its widespread secondary effect," Chino said.

"Private funds would not be readily available to meet such challenges if their allocation were left to markets alone. I would like to request your support for launching negotiations this year for that next replenishment of the ADF."

Bank officials have said member-nations, which include Japan, the United States, Canada, Australia and Western European countries, will only discuss where and when to start talks on ADF funding during this weekend's meeting.

However, they added, it takes about 12 months to get full agreement on a new ADF funding plan, so the process needs to get underway soon.

For the ADB, Chino said, "While the immediate challenge is to ensure a return to growth, the longer-term challenge is to move onto the path of sustainable development."

This, he said, would call for concerted efforts in poverty reduction, environmental protection, economic growth and human resources development.

Philippine President Joseph Estrada told the meeting at least 40 million people in the region had been pushed into poverty by the crisis.

"Vigorous efforts should therefore be pursued to strengthen social safety nets and to promote strategies that will not only pump-prime the economy but also generate employment."



Asian Development Bank (ADB) president Tadao Chino speaks at the opening session of the ADB annual meeting yesterday. Chino called on wealthy non-Asian members of the ADB to support the replenishment of the Asian Development Fund. —AFP photo

China won't show favouritism to US in WTO talks

BEIJING, Apr 30: France has won assurances from China that it will not show favouritism towards the United States in talks over its entry to the World Trade Organisation, a French minister said today, reports AFP.

France welcomes China's adherence to the WTO as long as it is done without any distortion," said Jean Glavany, French agriculture and fisheries minister.

He told a press meeting during his visit to China that he had won "formal assurances" on the issue from his Chinese counterpart Chen Yaobang.

Glavany's visit comes as China has made important concessions on opening up its markets and reducing tariffs in a bid to finally seal a deal on its 13-year bid to join the global trading body.

A round of marathon talks between China and the US ended Monday without agreement as Beijing opened separate discussions with the European Union (EU).

ADB calls for long-term reforms of Pak economy

ISLAMABAD, Apr 30: The Asian Development Bank has called for long-term reforms of Pakistan's economy, saying growth has been impeded by poor governance, sectarian violence, weak policy implementation and a lack of private dynamism, reports Reuters.

The bank, a major lender to Pakistan, also said in its 1999 Asian Development Outlook report released on Monday that industrial recession and low levels of private investment would limit growth to 3.4 per cent in the fiscal year ending in June.

The economy grew by 5.4 per cent in the 1997-98 year.

The bank prescribed long-term reforms to boost economic growth, also partially stalled by economic sanctions slapped on Islamabad after the country conducted nuclear tests last May in response to similar tests by India.

"Major issues concern the need to achieve macro-economic

stabilisation and promote exports, increase economic efficiency and ensure that social protection is available for the poorest members of the society," the bank said.

"Pakistan's economic performance has been handicapped in recent years largely by a lack of private sector dynamism, weak policy implementation, ineffective governance, persistent sectarian violence and low labour productivity," it added.

Violence between militants of the majority Sunni Muslim groups and minority Shiite activists in the populous Punjab province has claimed more than 50 lives so far this year, and political, ethnic and sectarian violence killed more than 800 last year in Pakistan's most important commercial city Karachi.

The bank suggested the government work to revitalise small and medium-sized enter-

prises and resolve the problems of the industrial sector to promote exports.

Pakistan this year launched a new scheme to promote small to medium-sized enterprises by setting up a special body to oversee and ensure loans for viable projects.

The bank said Pakistan needed to improve "economic efficiency" by restructuring its power sector and introducing financial sector reforms.

The power sector—including two state-owned utilities, the Water and Power Development Authority (WAPDA) and the Karachi Electric Supply Corp.—has been under financial stress since 1996, the report said.

The financial crisis in the power sector has, in turn, seriously affected the government's handling of the economy by increasing the fiscal deficit. Consequently financial restructuring of the two utilities is urgently needed," it said.

Russia blasts int'l community for 'not giving timely support'

UNITED NATIONS, Apr 30: A day after the International Monetary Fund reached agreement with Russia on an economic reform programme, Russia's economic minister accused the international community Thursday of failing to respond quickly to his country's financial crisis, says AP.

Russia's Andrei G. Shapovalov made no mention of Wednesday's agreement in principle on an economic plan and \$4.5 billion in new IMF loans to Moscow, complaining instead that Russia had suffered badly because of the lending institution's inaction.

"Russia appears to have been a target of discrimination since it was the only country as far as we know among the crisis-hit countries that didn't receive timely international support," he told a joint meeting of the UN Economic and Social Council and top officials of the IMF and World Bank.

The Asian economic upheaval which spread to Russia and Brazil revealed "the lack of an effectively functioning early warning and prevention system for financial crises," the Russian minister said.

Saying he spoke "with great friendship" but also "a few grains of salt," Camdessus told Shapovalov that he listened to the criticism "with a sense of — I don't know — unreality."

He said he was "surprised" that the minister didn't mention Wednesday's package to help Russia fight the consequences of the crisis.

"I must tell him with a little bit less humor that I was surprised (to hear) that we have not been able to warn and to prevent this crisis," Camdessus told the minister, who was accompanied by high-level representatives from over 30 countries.

He recalled personally trav-

elling to Russia "to warn the authorities about the risk mounting for them," and putting together a major package last spring to cope with the risk. But he said it wasn't supported by the legislature.

The IMF came under extensive criticism last summer when it announced a major rescue effort for Russia only to see the programme derailed within weeks after Russian authorities gave up an ineffective effort to defend the value of the ruble.

The Russian default in August 1998 triggered the darkest days in the 20-month-old currency crisis that began in

Thailand in July 1997. Camdessus said his staff had been telling him to be prudent in saying the crisis was over.

But he told the meeting that the countries worst affected "are now in the recovery process or close to it."

The hottest topic during the meeting was an IMF-World Bank debt relief initiative for poor countries.

Italy's Treasury Minister Carlo Azeglio Ciampi said the IMF's policy-making Interim Committee which he heads had asked the IMF and World Bank to work toward a framework that provides for deeper relief to a broader group of countries, in

a way that strengthen the incentives for adoption of strong reform programmes, and fosters the respect of human rights."

Camdessus said the committee also endorsed the establishment of "a significantly stronger link" between debt relief granted to the poorest countries and allocation of the money to social purposes such as education and health.

World Bank President James Wolfensohn said he was looking forward "to the generosity of our shareholders" to ensure that debt relief could be made available to more countries.

Honda to stop building electric cars

LOS ANGELES, Apr 30: Honda will stop building electric cars, writing them off in their infancy as expensive, inconvenient and unpopular flops, reports AP.

While environmentalists criticised the move Thursday, it might be indicative of the auto industry's drift away from pure electric cars and toward hybrids that use other low-emission technology such as fuel cells.

"If we were making money on the cars it would be a different story, but these are not money-makers," American Honda Motor Co. spokesman Art Garner said Thursday in Torrance, California. "Given the current technology, we have no plans to build them in the future."

Toyota, General Motors, Ford, DaimlerChrysler and Nissan all say they will continue to produce battery-powered cars, but will pursue the development of other technologies as a possible alternative.

Many automakers have focused on developing hybrid en-

gines that run on fuel cells, which produce electricity through the low-emission chemical reaction of hydrogen and oxygen.

Environmentalists said Honda has prematurely abandoned the battery technology, which is designed to help rid car exhausts from high-population areas. The Honda cars were introduced in May 1997.

"This project is still taking baby steps," said Richard Varenchik, spokesman for California Air Resources Board. "We're very unhappy with this. If the technology is not ready yet, you don't get there by stopping. You continue to refine the product."

The project is of particular importance in California, which has 18 million cars, the nation's most automobiles.

Pure electric cars satisfy the state's stringent air quality rules, which mandate that, starting in 2003, fully 6 per cent of all new cars sold by top automakers must be low-emission vehicles.

California has an additional

2003 requirement that 4 per cent of all new vehicles produce a zero-emissions.

Only electric cars, which emit no smoke at all, satisfy that requirement.

Hybrid cars, though they don't meet the 4 per cent requirement, do produce less emissions than conventional cars and might better satisfy the needs of motorists, said Christopher Oederger, an analyst with Nextrend, a marketing and research firm in Thousand Oaks, California.

"Frankly, electric cars were just not consumer friendly," he said. "They were too expensive to buy... and barely got people to and from work. People won't pay to be inconvenienced."

Few electric vehicles can travel more than 120 kilometers (75 miles) before needing to be recharged. A battery pack adds hundreds of pounds to a car and costs thousands of dollars to replace.

In addition, most manufacturers only lease the pure electric cars, a way to regulate new technology.

Indian SC steps in to curb automobile pollution

NEW DELHI, Apr 30: Concerned over deteriorating air pollution in New Delhi — one of the worst in the world — India's Supreme Court banned the sale of cars that do not conform to stringent emission norms, newspapers said Friday, reports AP.

Environmentalists hailed the court's decision, delivered by three justices Monday. Car manufacturers fretted over the order requiring them to meet the stringent EURO-II emission standard by March.

The justices criticised automobile manufacturers for not updating technology for years. Until recently, cars and buses sold in India used technology dating back to the 1950s.

New Delhi's estimated 4 million cars, buses and motorcycles account for 70 per cent of the air pollution in the city, according to government studies. And most of that has been blamed on diesel vehicles, such as buses and taxis.

Government studies have shown that 20 per cent of the city's 11 million residents suffer from respiratory problems, five times the national average.

The court allowed the sale until June of vehicles meeting EURO-I standards of emission. It said all manufacturers must update the technology to meet EURO-II standards by March. Both standards specify the amount of carbon monoxide, nitrogen oxide and suspended particulate permissible in automobile emissions.

Some, 3,500 cars are sold in New Delhi every month, the reports quoted lawyers as telling the court.

For years, environmentalists have urged car manufacturers to discuss with the government on how to finance new technology needed to meet stricter emission control norms. Few automobile makers have bothered to do so, reports said.

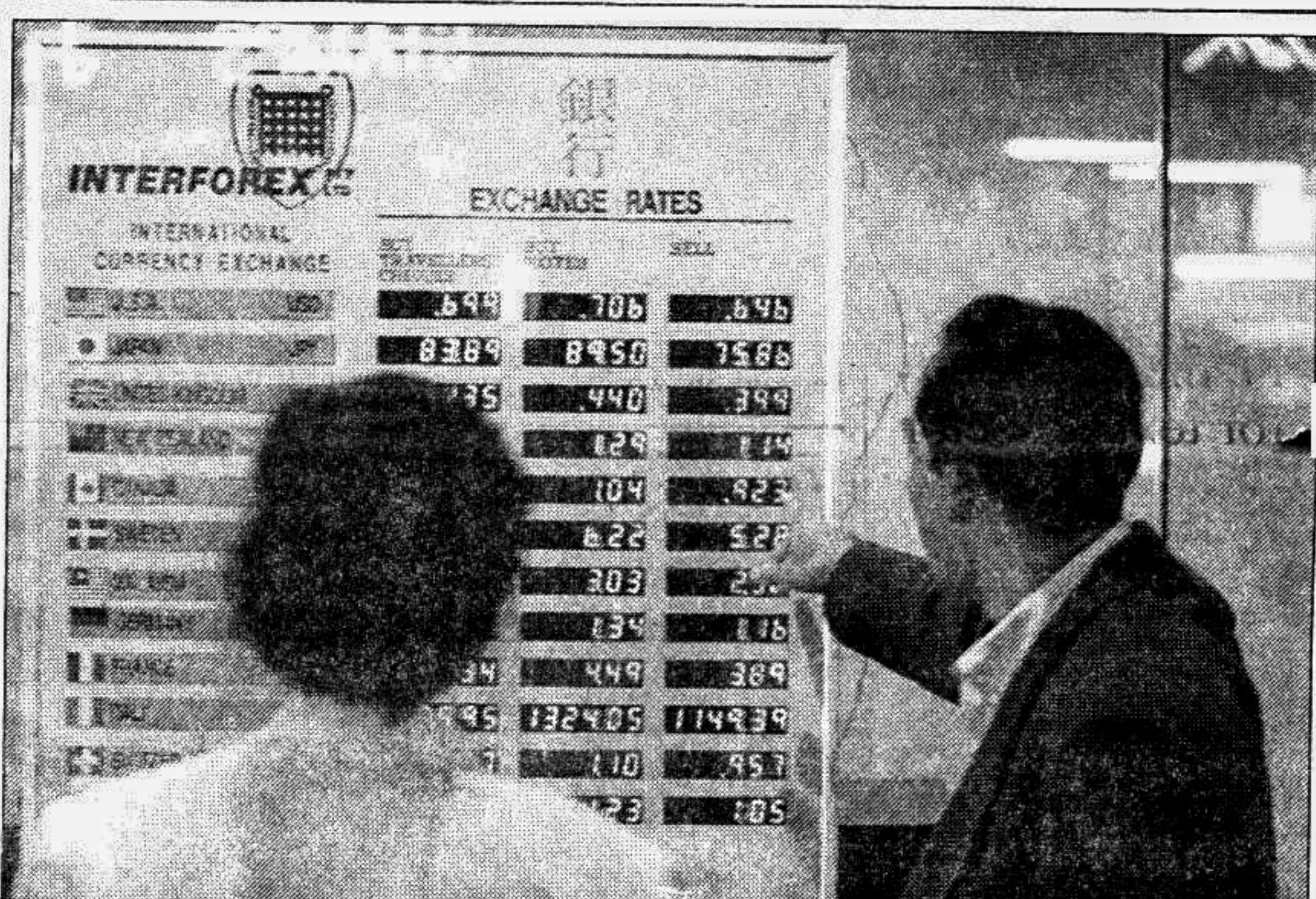
"The inertia has been broken and a new consciousness brought in," said Dilip Biswas, chief of the government's Central Pollution Control Board.

Car manufacturers were dismayed. "We are shocked by the order. We were hoping to get at least two years to implement stricter emission norms," said Venu Srinivasan, vice-president of the Association of Indian Automobile Manufacturers.

IMF urges Zambia to keep interest rates high

WASHINGTON, Apr 30: The International Monetary Fund yesterday urged Zambia to keep interest rates high enough to restore confidence in the kwacha currency and said weak banks, slow privatisation and previous policy setbacks were reasons for concern, reports Reuters.

A statement released after a March 25 review of the Zambian economy forecast economic growth of 4 per cent this year, reversing last year's 2 per cent decline. Inflation would ease to 21.6 per cent, from 24.5 per cent in 1998. "Directors regretted that economic and financial policies in 1998 had been only partially successful in arresting the deterioration in economic conditions," the IMF said.



Chinese tourists look at the foreign currency board in Sydney yesterday, the day which saw the Australian dollar peak at a 12-month high, breaking through the 66 US cent barrier. The Australian dollar fell slightly to finish lower at 65.82 US cents and the Australian Stock Market's main indicator, the All Ordinaries index also closed down 3.8 points at 3101.1 points. —AFP photo

Global crisis not over, says UNICEF chief

BOGOTA, Apr 30: The global financial crisis is not over and its costs, including a rise in malnutrition and child labour, are painfully clear in the developing world, the head of the United Nations Children's Fund said yesterday, reports Reuters.

Referring to International Monetary Fund Managing Director Michel Camdessus, UNICEF Executive Director Carol Bellamy said, "Mr Camdessus has declared the financial crisis over. But the longer-term human implications of what we believe is a continuing financial crisis will continue."

Bellamy, who spoke to a gathering of foreign journalists, was in Bogota for a biannual meeting to UNICEF representatives from across Latin American and the Caribbean.

Camdessus told reporters on Sunday in Washington that the financial crisis that erupted in Asia in the summer of 1997 and later spread to Russia and Latin America "seems to be over."

But Bellamy said there were still major problems in countries such as Indonesia and Brazil and that "globalisation"

— A term once synonymous with fast-spreading — Economic growth

Now also referred to the spread of poverty around the globe.

"We've seen an increase in malnutrition and we've seen a decrease in school attendance," said Bellamy.

Asian currencies close mixed

SINGAPORE, Apr 30: Asian currencies moved sideways against the US dollar today in the absence of major trading incentives, with the markets awaiting developments from Japanese Prime Minister Keizo Obuchi's US trip, dealers said, reports AFP.

Although markets in Tokyo reopened following Thursday's holiday, the imminent onset of the so-called Golden Week holiday which lasts from Saturday until May 6, kept players on the sidelines, they said.

Asian currencies which gained against the US dollar from the previous day's close were the Indonesian rupiah, which ended at 8,220 from 8,450 and the Thai baht at 37.20 from 37.45.

Slightly higher were the Philippine peso at 37.959 from 38.02 and the Taiwan dollar at 32.388 from 32.689.

Obuchi defends his plan to energise economy

LOS ANGELES, Apr 30: Japanese Prime Minister Keizo Obuchi defended his plan to energise Japan's stagnant economy and said stronger US-Japanese military cooperation was vital to Asia's future, reports AP.

Obuchi, who arrived Thursday in the United States for a six-day tour, told an audience of about 1,000 political and business leaders that his efforts to stimulate the Japanese economy were beginning to pay off.

"I have boldly implemented every kind of measure aimed at achieving Japan's economic recovery," said Obuchi, who was elected in July. "... I am determined to ensure a successful revitalisation of the Japanese economy through overcoming with unwavering resolve any obstacles."

Obuchi's visit will culminate

Monday in Washington in a meeting with President Bill Clinton. Events in Los Angeles and later in Chicago are designed to bring exposure to a leader little known in the United States.

Obuchi expects his talk with Clinton to focus on his economic plan and the military alliance.

"We would like to make a fresh start in terms of the US-Japan bilateral treaty," he said. He noted that the lower house of Japan's parliament this week approved legislation designed to increase military cooperation with United States.

Obuchi's hand has been strengthened by recent political victories at home, including lawmakers' approval last month of Obuchi's record economic stimulus plan.


Journalists were not allowed

to accompany Obuchi on the Philippine trip, which included exhibits chronicling more than 100 years of Japanese-American history in California. Among those is an exhibit displaying the uniforms and other artifacts of Japanese-American soldiers who served while their families were in camps.

The barracks building was brought to the museum from a site in Wyoming.

Obuchi did not mention the barracks specifically in remarks to reporters, but said, "We can see the hardships of the Japanese-American people with this museum."

While standing in front of the barracks, Obuchi told bystanders, "Things like this should never happen again," said Henry Yasuda, a Japanese-American who acted as Obuchi's translator during the visit.



Directorate General Defence Purchase
Ministry of Defence
New Airport Road, Tejgaon, Dhaka-1215

Re-Tender Notice

1. Sealed tenders in foreign currency are invited from bonafide manufacturer's/ dealer's/ supplier's/indenter's (Enlisted Firms and Firms applied for enlistment in DGDP) for supply of the following items for Bangladesh Navy.

Sl No	Name of Items & Qty	Date of Selling	Date of Opening	Currency	Tender No	
		From — To				
a.	Hydrophone (Under Water Broadcast) Qty-01 in No				5765	
b.	Tachometer Test Bench Qty-02 Sets				5974	
c.	Surface Mounted Component Rework System Qty-03 Sets	09-5-99	27-5-99	30-05-99	Foreign	5975
d.	Test Equipments and Facilities for Setting Up a Gyro Workshop Qty-1 Set					5976

2. Tender schedule with detailed specifications/conditions will be available on payment as per I/T selling rate (non-refundable) during office hours between 0800 hours to 1300 hours. The tender can be dropped latest by 1000 hrs and opened at 1005 hours on the specified date of opening in the presence of tenderers (if present).

Lt Commander BN
For Director General

ISPR/Misc/99/303
DFP-8581-22/4
G-764

FDI weathers Asian crisis: UN

SINGAPORE, Apr 30: Foreign direct investment (FDI) to developing countries in Asia has weathered the storm of financial crisis despite a modest seven per cent decline last year, the United Nations said, reports Reuters.

"Although the region as a whole experienced a contraction and a downturn in overall private capital inflows, FDI managed to weather the financial crisis," the UN said in a report. Foreign companies invested 78 billion dollars into developing Asia in 1998, compared with 84 billion dollars in 1997, the UN said.

Foreign direct investment into Asia may decrease further in 1999, but should remain above the decade's average, the report said.

Last year's decline was mainly due to a sharp drop in foreign investment to Taiwan and Indonesia, but regional inflows in 1998 were higher than immediately before the crisis and much higher than average annual inflows during the decade.