

Indian PM, President lock horns over new telecom policy

NEW DELHI, July 20: India's president and prime minister have locked horns over a new telecoms policy, which the caretaker government wants to implement before early elections in September-October, reports said today, reports AFP.

Prime Minister Atal Behari Vajpeyi wrote a letter Monday to President KR Narayanan defending the government's plans after the president called on the government to delay the policy until after the polls, The Economic Times said.

Vajpeyi's BJP-led coalition government fell in April after losing a parliamentary vote of confidence and is currently running the country in a caretaker capacity.

The independent Election Commission had told the government to stop taking major policy decisions from last week in line with its "code of conduct" in the run-up to elections.

Private Indian telecoms operators have welcomed the new

telecom policy which banishes hefty licence fees and allows a revenue-sharing arrangement with the government.

Cellular companies said the new arrangement to take effect from August 1 was an improvement over the old regime which imposed "punitive licence fees" and hurt their profits.

But opposition parties have slammed the policy, arguing that it was approved by a government which had lost its parliamentary majority and was seeking to sidestep the Election Commission's code.

In his letter to the president, Vajpeyi argued that shelving the policy would put the industry in jeopardy.

"The basic framework of the policy has not changed. The package merely addresses the issue of migration of the old licences to a new regime," he said.

The government, he added, had not committed any procedural irregularities and the poli-

cy was merely a follow-up to a cabinet decision taken in March.

The rejection of the presidential advice is sure to worsen the relations between the two offices, The Economic Times said today, reports AFP.

The Hindu newspaper, quoting government sources, said the relationship between the president and the prime minister was "strictly within the framework of constitutional parameters" and "there was no stand off."

Telecom companies said the row reflected the absence of a strong independent regulator.

"This row can hit foreign investment in the telecom sector. I feel, looking at what has gone wrong, the telecom regulator should be strengthened," said Ram Mohan, a spokesman of US-based Converge Network.

In March, a bitter row between the Telecom Regulatory Authority of India (TRAI) and the government came to an end

after New Delhi, which earlier refused to accept the watchdog's planned telephone tariff changes, gave in.

The state-owned Department of Telecommunications (DoT) had also dragged TRAI into court for a ruling on whether the watchdog's tariff proposals were binding on the government.

Abu Shafquat, managing director of Telstra Com, a joint venture with Australia's Telstra Corp, said "there would have been no political stalemate if we had a strong telecom regulatory body."

"In future we have a lesson to learn and we must seriously look at empowering the Telecom Authority of India," he said.

The New Telecom Policy 1999, unveiled in March, is seeking to promote telecoms growth in India from less than one telephone for every 200 rural residents at present to four by 2010.

MEXICO CITY, July 20: An independent auditor said yesterday he found some 60 billion pesos (six billion dollars) in "irregular operations" in the Mexican government's 1995 bailout of banks privatised a few years earlier, says AFP.

Canadian Michael Mackey told a news conference that 18 banks were involved in the irregularities. If the illicit operations are confirmed, the banks could be forced to take back the debt.

The banks mentioned had been privatised between 1991 and 1992 under the government of Carlos Salinas that has been widely accused of corruption and influence peddling.

Mackey Monday presented to legislators his audit of FOBAPROA, the government's deposit insurance fund that absorbed billions of dollars in bad loans during the 1995 peso crisis.

Handam, of the opposition National Action Party (PAN), said that while the 300-page report may not live up to expectations that "a huge fraud" would be uncovered.

1995 Mexican bailout Audit finds \$6b of dubious operations

bailout was worth 55 billion dollars, though Standard and Poor's said recently that interest on the original loans increased the amount to 84 billion dollars.

Opposition parties claim that the rescue program largely served to protect companies close to the ruling Institutional Revolutionary Party (PRI).

Irregularities were found both in the portfolio program and in clean-up operations, said Faizul Handam, chairman of the congressional Audit Committee.

Total portfolio and clean-up operations amounted to 16.9 billion dollars of which six billion are considered irregular, according to Mackey's report, which was published in English.

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Exchange Rates

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

Currency	Selling TT & OD	Selling BC	Buying T.T	Buying OD, Sight Export Bill	Buying OD Transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Stg	78.7574	78.8207	77.5902	77.3338	77.2205
Deutsche Mark	26.5962	26.6176	25.5852	25.6106	25.4732
Swiss Franc	32.0632	32.0890	31.5749	31.4706	31.4245
Japanese Yen	0.4212	0.4215	0.4141	0.4127	0.4121
Dutch Guilder	23.6045	23.6235	22.7161	22.6411	22.6079
Danish Krona	6.9410	6.9466	6.7820	6.7596	6.7497
Australian \$	32.9561	32.9826	31.6733	31.5568	31.5224
Belgian Franc	1.2895	1.2905	1.2410	1.2368	1.2350
Canadian \$	33.7015	33.7287	32.7425	32.6343	32.5865
French Franc	7.9300	7.9364	7.6316	7.6063	7.5952
Hong Kong \$	6.4216	6.4267	6.3437	6.3227	6.3134
Italian Lira	0.0269	0.0269	0.0259	0.0258	0.0257
Norway Kroner	6.3290	6.3341	6.2273	6.2067	6.1976
Singapore \$	29.6329	29.6568	28.6878	28.5930	28.5511
Saudi Rial	13.2957	13.3064	13.1153	13.0719	13.0528
UAE Dirham	13.5770	13.5880	13.3909	13.3466	13.3271
Swedish Krona	5.9025	6.9072	5.8309	5.8116	5.8031
Qatar Riyal	13.6963	13.7073	13.5064	13.4618	13.4421
Kuwaiti Dinar	167.3566	167.4912	156.4610	154.9472	154.7203
Thai Baht	1.3399	1.3410	1.3263	1.3220	1.3200
Euro	52.0176	52.0594	50.0598	49.8944	49.8213

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)

Buying	Selling	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
49.0850	49.7300	USD	5.18000	5.30875	5.59625	5.65000	5.74875
76.2585	77.8272	GBP	5.10609	5.13063	5.29063	5.36484	5.47859
Cash/TC	Cash/TC	Euro	2.66000	2.69675	2.94250	2.99813	3.09438

Exchange rates of some Asian currencies against US dollars

Indian Rupee Pak Rupee Thai Baht Malaysian Ringgit Indonesian Rupiah Korean Won

43.190/ 51.660/ 37.100/ 3.795/ 6670/ 1194.2/ 6690/ 1194.5/

Amex notes on Tuesday's market

The USD/BDT market remained sluggish after the devaluation of July 18, 1999. The new Central Bank USD/BDT rate was set at 49.35/65, a downward adjustment of BDT 1.00 to the USD. There was moderate demand for USD in the market, and the market was liquid in USD. For this reason, the market quickly adjusted to the new rates and there was no major movement of USD/BDT rates in the interbank market. It is likely that the USD/BDT rates will stay in the 48.66 level for the remainder of the week.

The call money market remained highly liquid and the call rates went down than that of July 19, 1999 after the T-bills auction held on July 18, 1999. The rate of the call money market ranged between 5.50 and 6.00 per cent.

The dollar looked a bit healthier in Asia after an overnight shakeout, which led to the speculation of possible European Central Bank intervention, and surprised the market by the Bank of Japan's absence. It peaked up as short-term players booked profit on the yen's overnight rise to five-week highs, with traders in Asia wary of the BOJ. But market makers dismissed the likelihood of the BOJ intervening in thin Singapore and Hong Kong markets. The assumption is that the BOJ could also be signaling tolerance of a wider trading range for dollar/yen. The market makers assume that the BOJ has its work cut out for them if they were sticking to what they had said — that a premature yen strength is bad for their economy.

Euro's overnight bounce had also removed pressure on the euro/yen exchange rate. The euro won a reprieve overnight amid speculation the ECB had stepped in to stem the seven-month-old unit's embarrassing slide towards parity with the dollar. No official confirmation was available and there was also talk of large hedge fund orders in a market severely short of euro, but market makers said cover central bank action could not be ruled out.

Sterling was firm below Monday's three-week peaks against dollar and remained steady against euro. The driving force for sterling gains against dollar came from broad based dollar slippage in North American trade on Monday that saw euro/dollar gain 2.1 per cent.

At around 0628 GMT the exchange rates of major currencies against USD were GBP/USD 1.5763/73, USD/SFR 1.5575/85, USD/JPY 118.26/36, EUR/USD 1.0289/93.

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 20.7.99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival	Leaving
J/1	Xiang Cheng	Cl	Tanj	BDship	20/6	22/7
J/2	Dewan-1	Rice(P)	Kara	AML	9/7	28/7
J/3	Sheng Mu	Wheat(P)	Sing	MSA	4/7	30/7
J/4	Pericles	Sugar(G)	Sant	Limtong	10/6	29/7
J/5	Phaethon	Sugar(G)	Durb	OWSL	10/6	26/7
J/6	Cemerlang	C.Clink	Jaka	OLM	14/7	25/7
J/7	Orvuch	Wheat(G)	Swich	LSC	25/6	27/7
J/8	Teresa Prestige(48)	G	Yang	Everett	11/7	21/7
J/9	Min Jiang	G	Sing	BDship	28/6	26/7
J/10	Kota Naga	Cont	Tan	Pill(BD)	11/7	21/7
J/11	Kota Cat	G	Mass	Everett	13/7	20/7
J/12	Achiever	Cont	Sing	RSL	16/7	23/7
CCT/1	Bunga Mas Lapan	Cont	P Kel	EOSL	14/7	21/7
CCT/2	Jaya Mars	Cont	Mong	Baridhi	10/7	20/7
CCT/3	Bangla Shikha	Cont	PSL	BSC	13/7	20/7
RM/14	BIT1	Cement	Sing	Able	R/A	17/7
RM/15	Sarah-1	Rice(P)	PSL	SMSL	R/A	17/7
CCJ	Alert	C.Clink	Taiw	RML	8/7	24/7
GSJ	Al Bauraq	C.Clink	Puke	PSL	10/6	27/7
TSP	Chopol-1	R.Phos	Sing	Seacom	11/7	25/7
DOJ	Kemila	C.Clink	Tan	PSL	13/7	30/7
DDJ/1	Tanary Star	IDLE	PSL	PSL	7/6/95	
DDJ/2	A A Venture	Repair	PSL	CCNL	16/6	22/7
RM/8	Sea World	Repair	PSL</td			