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India to speed up economic reforms: PM

NEW DELHI, Oct 17: Indian Prime Minister Atal Behari Vajpayee said yesterday his government wanted to hasten economic reforms and emphasize infrastructure development, says Reuters.

"In coming days, our government proposes to speed up economic reforms and focus attention on infrastructure development," Vajpayee said in an address to the nation on state television, Doordarshan.

He said his government would "introduce new laws for financial sector reforms so that India can keep pace with the rest of the world."

His government also planned to "evolve a programme for achieving fiscal rectitude by improved expenditure management, deep tax reforms and a new mechanism for speedier restructuring and disinvestment of public sector units."

The fiscal deficit of the federal government and states, combined with losses of state-run firms, was about eight per cent of the gross domestic product (GDP) in 1998-99 (April-March).

Vajpayee said the new government would adopt measures to remove bottlenecks that lead to delays.

The Prime Minister and his council of ministers were sworn in earlier in the week after Vajpayee's multi-party alliance won a clear majority in the month-long elections that ended last week.

Bank holiday

Bangladesh Bank and all scheduled banks will remain closed on Wednesday on the occasion of Durga Puja, the great religious festival of the Hindu community, said a press release, reports UNB.

Beijing says goodbye to minibus taxi

BEIJING, Oct 17: Beijing's yellow minibus taxis, guaranteed to give a low-cost, bumpy ride and blamed for defiling the capital city's image, made their final exits this month after 11 years on the city streets, says Xinhua.

The minibus taxi, or "mianzi" in Chinese, appeared here in 1988 and instantly helped ease traffic congestion as commuters clumped together for rides.

By 1993, there were 350,000 of the vehicles in Beijing, sources from the local taxi administration said. Mianzi accounted for 51 per cent of the city's taxis, daily forming a choppy yellow sea as they chugged down the roads.

Despite its advantages, the minibus was proved to be relatively unsafe and emitted high levels of exhaust. Choosy travelers were turned off by its lack of air conditioning.

Before China's 50th anniversary celebration on October 1, Beijing authorities replaced all the minibus taxis with new cars to lessen air pollution in the city.

India builds \$286m world's longest LPG pipeline

NEW DELHI, Oct 17: An Indian state-run company yesterday began constructing the world's longest exclusive liquefied petroleum gas (LPG) pipeline in the western coastal state of Gujarat, says AFP.

The Gas Authority of India Ltd (GAIL) said the work began at Gujarat's Jamnagar region on the proposed 1,250-kilometre (781-mile) gas pipeline. Gujarat borders Pakistan.

A GAIL statement said the project was estimated to cost about \$286 million and would be completed by February 2001.

It would also be the first LPG pipeline in India, where the gas is now transported by road or rail.

The pipeline will cover five states, terminating in Uttar Pradesh.

US Commerce Secy arrives in UAE

ABU DHABI, Oct 17: US Commerce Secretary William D. Brown arrived in the United Arab Emirates (UAE) yesterday on the last stop of his extensive Middle East tour, the official WAM news agency reported, says AFP.

Daley was met upon arrival by his UAE counterpart Sheikh Fahem bin Sultan Quasim. WAM said, adding that he was due to sign an "open-skies" agreement today deregulating air traffic between the two nations.

The commerce secretary, who is accompanied by a delegation of US business executives, said they would meet UAE counterparts to discuss joint investment possibilities.

Trade between the two nations was just more than three billion dollars last year.

Move to help exporters diversify, expand product line

\$12m Matching Grant Facility programme starts operation

Star Business Report

A US\$12 million Matching Grant Facility (MGF) programme started operation yesterday to help exporters undertake product diversification and development plans.

The focal point of IDA credit-backed MGF programme is to induce exporters into purchasing consultancy and other services which will help them diversify and expand their product lines and tap export markets," said Joseph E. Burke, Programme Manager of MGF Management Unit, at a seminar at the FBCCI auditorium in the city yesterday.

Of the US\$ 12 million, \$10 million will be given to exporters for product diversification and development, while the rest \$2 million will be offered to firms providing services to exporters.

No particular export sub-sector will be entitled to more than 10 per cent of the fund, he added.

Exporters will be aided by the fund as they will become more competent through product development and market diversification, Burke said, adding that its service-providers would be benefited by enhancing and adding to their existing services to be purchased by exporting firms.

Both private firms and non-governmental bodies, such as chambers and trade associations which sell professional and support services to exporting firms, are eligible for participating in the service development grants, Burke mentioned.

The MGF, a 50 per cent cost-sharing grant facility, is a component of the Bangladesh Export Diversification Project (BDXDP) and is jointly implemented by Trade Development Institute of Ireland Ltd, Dublin, and a local firm, Transnational Consultants Ltd.

Under the programme, 50 per cent cost of a product development and promotion plan would be provided as grant from the MGF on a 'first come, first serve' basis.

An exporter will have to bear the entire expenditure of his development programme and then apply for reimbursement of 50 per cent of the cost from MGF.

The Matching Grant Facility will operate through July 31, 2002.

Chaired by Rajab Sharif, acting President of The Federation of Bangladesh Chambers of Commerce Industry (FBCCI), the seminar was attended, among others, by eminent businessmen.

Speaking at the seminar, Rajab Sharif said that export diversification was a must to sustain in the global market. "The scheme will help exporters diversify their products and increase competitiveness," he added.

Replying to a question, Burke said a clearance certificate from the Credit Information Bureau of Bangladesh Bank would be required, as loan defaulters would not be entitled to the grants.

The Matching Grant Facility will operate through July 31, 2002.

LDCs to demand free market access at WTO confce

The least-developed countries will demand duty-free and quota-free market access for all of their products in the forthcoming third ministerial conference of the World Trade Organisation, says UNB.

This was stated by the Ambassador and Permanent Representative of Bangladesh to Geneva Dr Iftekhar Chowdhury while addressing a preparatory session of WTO General Council for the conference on behalf of 29 LDC members on Friday.

Chaired by new WTO Director General Mike Moore, the preparatory session worked to produce an agreed draft declaration to be issued by the trade ministers when they meet in Seattle in November, according to a message received in Dhaka yesterday.

Bangladesh, the coordinator of the LDCs, called for a standstill to all contingency protection measures on market access for exports from LDCs.

The envoy asked for longer transitional periods for LDCs with respect to various WTO agreements.

He also called for a new committee to be established in the WTO in place of the present sub-committee on LDCs.

Chowdhury also stressed the need for a fast-track approach to accelerate the accession process of the seven LDCs who have applied to join the world trade body.

"LDCs want to bat on an even wicket and, at least for the time being, to slow bowing," the ambassador said in his concluding statement.

More Gulf Air flights go smoke-free

Gulf Air has added eight destinations to its list of no-smoking flights, says a press release. From October 31, all Gulf Air flights to and from Frankfurt, Paris, Rome, Katmandu, Jakarta, Bangkok, Hong Kong and Kuala Lumpur will be smoke-free.

The introduction of a no-smoking policy on these flights follows extensive consultation with passengers, an overwhelming majority of which indicated that they were against smoking on board an aircraft.

Gulf Air was one of the first carriers in the Middle East to introduce the no-smoking policy, it said.

In 1994, Gulf Air was awarded a medal and certificate by the World Health Organisation in Recognition of its no-smoking policy on selected routes.

BB T-bill auction held

The 58th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year Treasury Bills were held yesterday, says a central bank press release.

Tk 1333.10 crore, Tk 4.90 crore, Tk 56 crore, Tk 31 crore and Tk 44 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day and 2-year bills.

Of these, Tk 1115.90 crore, Tk 0.50 crore, Tk 22 crore, Tk 14 crore and Tk 12 crore of 28-day, 91-day, 182-day, 364-day and 2-year bills were accepted respectively, whose range of implicit yields were 6.22 per cent-6.90 per cent, 7 per cent, 7.75 per cent-7.91 per cent, 8 per cent-8.20 per cent and 8.95 per cent per annum. However, no bid was offered for the 5-year bill.

Employment Bank branch opens at Hobiganj

HOBIGANJ, Oct 17: Finance Minister Shah AMS Kibria has said the government has taken a range of measures to create employment opportunities, to change the fate of the common man, says BSS.

Inaugurating a branch of the Employment Bank here today, the minister illustrated the government efforts including launching of housing fund, Ashrayan project and Employment Bank for the welfare of the people.

Presided over by District Commissioner Md Abdul Aziz, the meeting was also addressed, among others, by Enamul Haq Mostafa, MP, Abu Lays M o h a m m a d M u b i n Chowdhury, MP, Chairman of Employment Bank M Muniruzzaman Khandkar, Managing Director of the bank A J Majedul Haq Ahmed, Pourasabha Chairman Shahid Chowdhury and district Awami League general secretary Dr Mushique Hossain Chowdhury.

The Employment Bank disburses bank loan to unemployed educated youths for self-employment.

The maximum collateral free loan offered to an individual is Tk 50,000 and with collateral it goes up to Tk five lakh.

The maximum group-based loan of the bank is Tk 20 with simple interest.

The finance minister said the establishment of the bank has opened up opportunities for the educated unemployed youth to contribute to the national economy.

'Sino-ROK trade imbalance a cause for concern'

BEIJING, Oct 17: The Republic of Korea should make an effort to reduce its growing trade surplus with China, "China Daily" reports today, says Xinhua.

"China has remained in a deficit in its trading with ROK since the two established diplomatic relations in 1992 and the deficit volume has expanded in recent years," the paper quoted Xu Changwen, director of the Asian and African Affairs Department of the Chinese Academy of Foreign Trade and Economic co-operation, as saying.

Statistics from the General Administration of Customs indicate China's trade deficit with ROK increased from 200 million US dollars in 1992 to 8.72 billion US dollars in 1998. From 1992 to May this year, the cumulative deficit volume has added up to 32.2 billion US dollars.

Xu attributed the growing trade gap to the depreciation of the Korean currency, which has sharpened the competitive edge of Korean exports and the dumping of some South Korean goods onto the Chinese market.

"Although we are not pursuing a continual trade balance with every trading partner, a lingering and growing trade deficit will surely influence the further development of our bilateral trade," he said.

Clinton, EC chief to hold talks before WTO meet

TAMPERE, Finland, Oct 17: European Commission President Romano Prodi said yesterday US President Bill Clinton had agreed to meet to discuss trade issues ahead of a World Trade Organization meeting in Seattle on November 30, reports AFP.

Prodi, speaking at the close of an extraordinary EU summit, said: "I am happy that Bill Clinton has agreed to meet with me."

While Prodi did not specify a date or place for the meeting, his spokesman on Friday had said the talks had been proposed for Washington on October 27.

Prodi said through his spokesman Friday that the talks would "not be a negotiation meeting" but a "meeting that will have constructive discussions about trade issues."

But on Saturday, French President Jacques Chirac said Prodi had not received the green light from the 15 EU heads of state and government to open talks.

"It is entirely legitimate and natural that Prodi hold talks with President Clinton, but he has not received a mandate

from the European Council to negotiate anything, naturally," Chirac said at a press conference.

Prodi defended his visit, saying, "I am not going to negotiate," adding, "It is important and vital that we give political indications before the negotiations."

Asked whether he would not be stepping on the toes of European Trade Commissioner Pascal Lamy, a Frenchman, by carrying out such a visit, Prodi replied: "We have talks at all levels."

"There is no competition with Lamy," he said.

"Free trade is fundamental for economic progress and I think that we have to move ahead in this area. I am going to Washington in this spirit," he added.

Meanwhile, Finnish Prime Minister Paavo Lipponen, whose country currently holds the rotating presidency of the EU, said that "what President Prodi is trying to do is very important for the European Union."

He said the Union needed a "more positive approach" in preparations for the next round

of WTO talks, including a more positive agenda for transatlantic relations.

There are deep differences between Americans and Europeans on the WTO agenda, known as the millennium round of trade talks.

On Thursday, Lamy said the United States risked compromising the launch of those talks if it persisted in limiting the scope of the agenda.

"We believe the American agenda is too limited to address questions raised by the globalization of such areas as investment and competition that the Europeans want to integrate in these negotiations," he said.

That means that "We will not be able to have the type of round that we need, and that we could be faced with the inability to launch the new round," he said.

Clinton on Thursday said he wanted the elimination of agricultural export subsidies to be on the Seattle agenda, a pointed reference to Europe.

Another point of divergence is the question of genetically modified foods, increasingly present on US food shelves but highly suspect in Europe.

EU to ease banking secrecy to fight money laundering

TAMPERE, Finland, Oct 17: European Union leaders yesterday declared banking secrecy would take second place to the fight against money laundering in the 15-nation block, says Reuters.

"When money laundering is suspected, banking secrecy will be lifted," Prime Minister Paavo Lipponen of current EU president Finland told a news conference at the end of a two-day summit in the city of Tampere.

The European Council — at a meeting of heads of state and government — said that investigators should have better access to information on financial transactions connected to money laundering.

"Regardless of secrecy provisions applicable to banking and other commercial activity, judicial authorities as well as financial intelligence units must be entitled ... to receive information when such information is necessary to investigate money laundering," the council said in a statement.

Luxembourg, Austria to change laws
A presidency source said this

would eventually result in EU laws based on recommendations of the Financial Action Task Force, a Paris-based agency set up to combat money laundering.

It would involve an easing of banking secrecy in Luxembourg and Austria.

Luxembourg Prime Minister Jean-Claude Juncker said he had no problem with this, pointing out that in Luxembourg banking secrecy could not be used to evade criminal prosecution.

He added that he hoped that the European Commission and justice ministers would quickly produce necessary legislation.

"I would like them to speed it up, because it makes no sense to launch broad political declarations without giving them operational contents," he told Reuters.

Austria has said its banking secrecy can be waived if account holders face criminal proceedings, but the country still retains anonymous savings accounts criticised by FATF.

The summit also called for common action against the use of tax havens outside the union

to hide the proceeds of money laundering, but made no explicit mention of preferential tax treatment available on Britain's Channel Islands or Gibraltar.

It said the mandate of the union's law enforcement cooperation body Europol should be extended to cover all forms of money laundering and that countries should bring into line procedures on tracing, freezing and confiscating funds.

It urged a speedy adoption of a new law requiring casinos, accountants, property agents and lawyers to report suspicious transactions.

Banks and bureaux de change in the EU are already obliged to report transactions they suspect may originate from organised crime, fraud against the EU or the drugs trade.

The Finnish EU presidency has focused on money laundering in tackling organised crime because it says it makes cross-border crime profitable and compromises the credibility of banks and financial institutions.

Asian women worse off than men following financial crisis

MANILA, Oct 17: Asian women and children were left worse off than men after the region's gravest financial crisis in half a century, the International Labour Organisation (ILO) said in a report released here today, reports AFP.

Shrinking economies left more women out of work than men while those who held on to their jobs had to make do with less pay, and the crisis "is generally believed to have pushed more girls than boys out of school and into work," the UN agency said in a regional report. ILO officials told a new conference they had yet to quantify the possible effects of the crisis on the problem of trafficking in women and children, an acute problem in a number of less developed countries in Asia even

before the mid-1997 currency meltdown.

The findings "show how vulnerable women are" in a region where "millions of women are underpaid and under-employed and millions more are working without pay at all," said ILO regional director Mitsuko Horiuchi.

While situations varied greatly among countries in the region, available data generally indicate "that the situation of women has deteriorated farther than the situation of men," said Roger Bohning, an ILO director for Southeast Asia and the Pacific.

The report said that the women's labour force participation rate in South Korea dropped 4.4 per cent since the crisis, while the rate for men

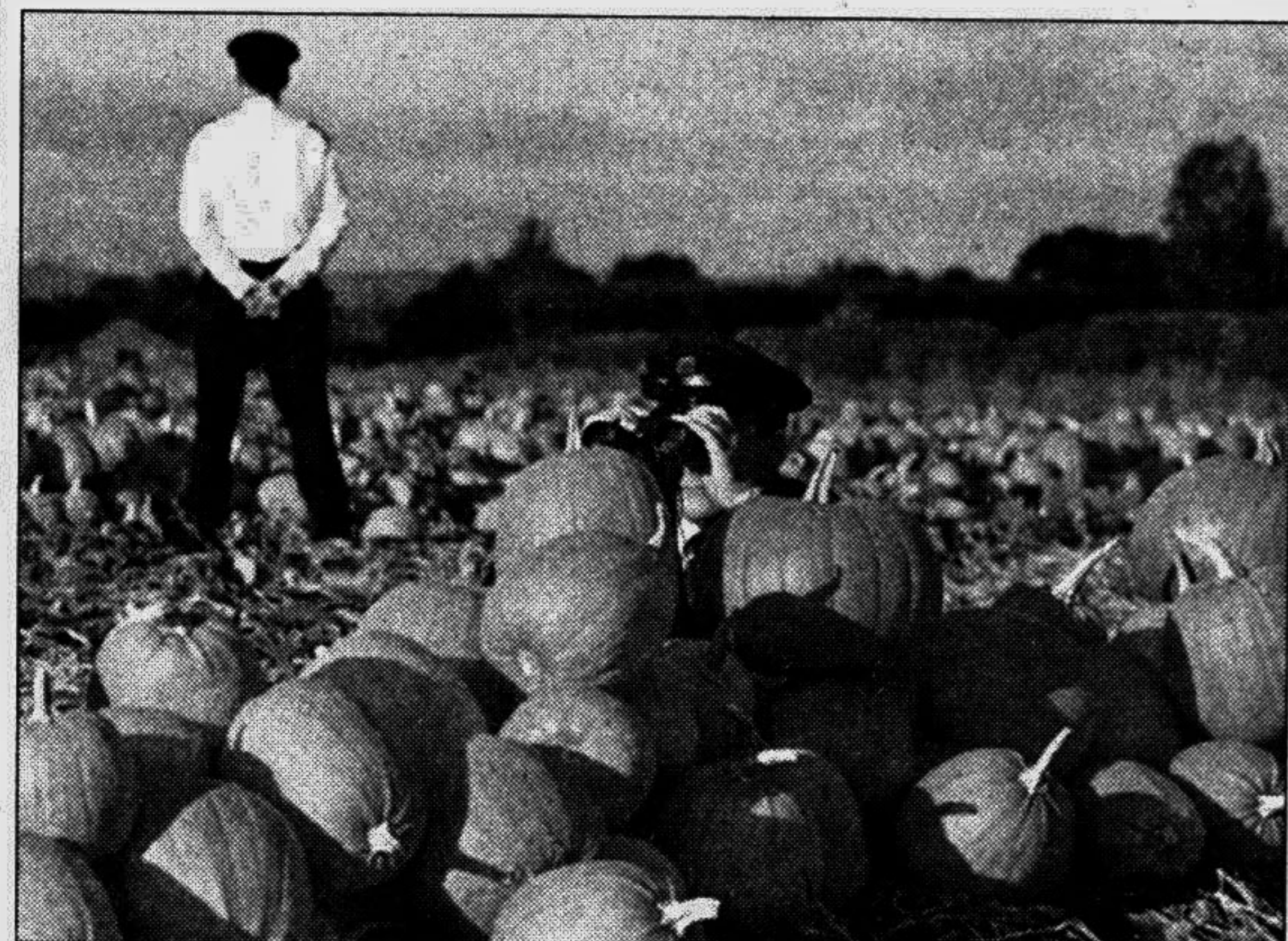
had remained "virtually constant."

"Among regular workers, women's employment has dropped drastically by 20 per cent, indicating higher rates of retrenchments, while that for men has dropped by only six per cent."

In the Philippines, women's unemployment surged 15 per cent, compared to 12 per cent for men.

While the gender-differentiated impact of the crisis on employment and incomes was less well defined in Thailand and Indonesia, "women's incomes are reckoned to have dropped by less than did men's, possibly implying that firms were replacing men with lower-waged women."

Fewer women than men in



In the run-up to Halloween, a security guard watches over some of the 250,000 pumpkins that have been growing in a field in West Sussex on Friday. The supermarket chain Sainsbury's said that this year's crop has been larger and more orange than ever, thanks to the recent good weather, and that they have employed the additional security after passers-by were unable to resist the colourful pickings.

—AFP photo

Inflation increases in Philippines

MANILA, Oct 17: Inflation in the Philippines rose slightly to 5.7 per cent year-on-year in September from 5.5 per cent in August as relatively stable food prices held down the impact of higher fuel costs, the government said, reports AP.

For the first nine months of the year, inflation averaged 7.4 per cent, still within the government's recently revised forecast of between 7 per cent and 8 per cent for the year.

The consumer price index in September was pushed higher by an 8 per cent jump in prices of fuel and utilities, up from 5.9 per cent in August, due to several recent oil-price hikes.

However, food prices, which have a hefty weighting in the consumer price index, rose 3.3 per cent in September on year,

up marginally from 3.2 per cent in August.

Economists believe the weaker peso may also have contributed to inflation by raising the cost of imports. Regional currency tensions pushed the dollar well above the key level of 40.50 pesos for most of September.

September's favourable inflation performance — after consumer price increases hit a two-year low in August — confirmed a string of recent economic data indicating a strong economic recovery.

However, clouds are gathering on the inflation horizon, with recent transport fare increases and expectations of further oil-price hikes likely to kindle inflation over the rest of 1999.