

The Daily Star DUSINESS

DHAKA, WEDNESDAY, NOVEMBER 10, 1999



Dollarisation

bill introduced

in US Senate

Senator Connie Mack intro-

duced legislation yesterday that would make it easier for na-

tions with emerging economies

to drop their local currencies

and adopt the dollar instead,

Stability act would allow the

US Treasury to encourage

countries to adopt the dollar by

offering a rebate of 85 per cent

of the resulting increase in US

Seignorage is the income a

country receives when the value

of its currency exceeds the cost

of producing it. Countries nor-mally make a profit from their

national currency but a dollar-

ising country would be faced

with the expense of buying dol-

lars to swap for its national

clear that the United States

would not become the lender of

last resort, or set monetary

policy for the dollarising country. The bill also includes plans

to rebate countries that are al-

ready using the dollar for lost

tion, we have an opportunity to

share with other countries a

key factor responsible for our own economic success," Mack, a

Florida Republican, said in a

"Dollarisation is a way to

'export' the benefits of mone-

tary stability," he said adding

that the legislation would allow

other countries to "import this

Some Latin American na-

tions, in particular Argentina

under outgoing President Car-

los Menem, have toyed with the

idea of dropping their own cur-rencies in favour of the dollar.

gentina's money supply is al-

ready in dollars under the na-

tion's currency board system

which ties the peso's value to

US House blocks

IMF debt relief

move

goal of lightening the debt load of 36 of the world's poorest na-

tions before the millennium remained elusive yesterday after

the US House of Representatives

effectively blocked an Interna-

tional Monetary Fund move to

finance the effort, says Reuters.

the weekend to reach a budget

agreement, but despite heavy

lobbying from the US Treasury

and charities, they refused to

allow the IMF to revalue part of

its massive gold reserve to fund

debt relief under the Heavily In-

debted Poor Countries Initiative

planned write-offs of debts to

members of the Paris Club

group of major lenders, would

cut the debts of the world's

poorest countries to \$45 billion

from \$90 billion, freeing up

much needed cash for health and education spending as well

gold, it would be unable to raise

the \$2.3 billion it needs for debt

relief, potentially causing the

the gold revaluation in its final

foreign aid appropriations bill passed on Friday, and did not

agree to add it to budget legis-

to be called Scrooge," said David Bryden of Jubilee 2000, a

coalition that has been pushing

for debt relief. "It's a shameful

disgrace that the congressional

leadership is not willing to do

something when it doesn't cost

they opposed the HIPC plan on

fears that it gives the IMF a role

in poverty reduction - an

arena in which the organisation

should not be involved. Others

claimed funds should not be di-

verted overseas while problems

Some US lawmakers said

"The US Congress deserves

The House did not include

HIPC plan to collapse.

lation over the weekend.

any tax dollars at all."

remain at home.

If the IMF cannot revalue its

as poverty alleviation efforts.

The HIPC plan, coupled with

House lawmakers toiled over

WASHINGTON, Nov 9: The

About 70 per cent of Ar-

stability as they see fit."

"By encouraging dollarisa-

The bill would also make

The International Monetary

says Reuters.

seignorage.

currency.

seignorage.

statement.

the dollar.

WASHINGTON, Nov 9: US

EC-Bangladesh working group meets today

Star Business Report The two-day sixth EC-Bangladesh working group meet will begin in the city today.

The meeting will discuss the

on-going EC-assisted projects in Bangladesh. It will also exchange views

on the pipe line of future development and economic cooperation projects in the country, says a press release.

A five-member official delegation from the European Commission led by E Muller, Head of Unit in the Directorate-General for External Relations, will represent the European Commission, Brussels, along with the officials of the EC Delegation in Dhaka.

Abdur Razzaque, Joint-Secretary of Economic Relations Division, will lead the home team comprising representatives from various concerned ministries and departments of the government.

Tofail secks UK investment

Commerce and Industries Minister Tofail Ahmed has urged the investors and businessmen of UK, especially expatriate Bangladeshis, to invest in Bangladesh in a bigger way, reports UNB.

He was talking to the visiting 15-member mission of the Birmingham Chamber of Commerce and Industries at his office in the city yesterday. The minister said more than

40 British firms are working here and they would be the index to attract more British investment in Bangladesh. He said Bangladesh offered

most attractive incentives, both fiscal and non-fiscal, to foreign investors.

He also said that favourable investment climate is prevailing in Bangladesh. And as such Bangladesh has achieved the highest growth rate in FDI in Asia. he added quoting UNCTAD investment report for

Referring to very good trade link with UK, the minister said that Bangladesh had a historic relation with that country. He mentioned the help and support provided by the British government and people during the Liberation War.

Tofail said Bangladesh wants to strengthen the relation further by expanding trade and investment links adding. "We now welcome private investment in many sectors including energy, telecommunication, infrastructure." Besides, he said that government is pursuing the privatisation programme and requested them to participate in the privatisation process.

Focusing on the bright prospect of Bangladesh for economic development, the British delegation members showed interest to set up EPZ in Sylhet. They also showed interest to invest in small and medium scale industries, said an official handout.

China's industrial output growth slows

BEIJING, Nov 9: Slowerthan-expected industrial output growth in October indicates the impact of debt-driven state investment is wearing off, economists said today, reports

Some said this suggested economic growth this year might fall short of the seven per cent government target. The economy grew 7.8 per cent last

The State Statistical Bureau said China's value added industrial output rose seven per cent year-on-year in October compared with 8.1 per cent in September and 9.5 per cent in August.

The actual October figure was well short of the 8.1 per cent growth forecast in a Reuters poll of non-government economists last week.

"In addition to an unusually long holiday last month, weak investment is another key factor in slowing manufacturing," said Liu Xianfa of the China Development Institute in Shen-

Official figures showed state investment declined a year-onyear 2.8 per cent in September compared with a 15.1 per cent surge in the first half of the year. Such declines have been unknown in recent years.

7 pc GDP growth in doubt

Value-added industrial output, which excludes the cost of raw materials, was 181.8 billion yuan in October. the bureau

Industrial output rose 9.1 per cent in the first 10 months of 1999 from a year earlier to 1.6258 trillion yuan, it said. In October, heavy industries

generated output of 103.7 billion yuan, up 7.6 per cent yearon-year, while light industrial output rose 6.2 per cent to 78.1 billion yuan, the bureau said. Output of state-owned firms rose 6.8 per cent to 104.5 billion

yuan in October. The output of collectives rose 4.5 per cent to 31.3 billion yuan and that of foreign-invested companies surged 12.3 per cent to 38.9 billion yuan.

Involvement of NGOs, embassies found: BB considering actions

banks deal in Tk 1100cr thru' hundi

By Inam Ahmed

Regulators are considering actions against seven private and foreign banks after unearthing crores in illegal hundi transfers and other exchange control violations.

A Bangladesh Bank investigation revealed Southeast. Uttara and Prime Bank illegally transferred over Tk 950 crore into Bangladesh from Hong Kong, Singapore and Bangkok from January 1997 to September 1999.

National, UCBL, ANZ Grindlays and American Express also broke exchange control rules, transferring just over Tk 140 crore during the same period.

This is the first time regulators have discovered illegal transfers. The central bank sent warning letters to the banks and will probably crack down hard on the offenders.

The central banks investigation found hundi dealers bought foreign exchange from individuals and organisations in South East Asia at high rates and then deposited the money into Bangladesh accounts.

Hundi dealers also used foreign exchange to meet the foreign liabilities of various local firms like the Grameen Phone. The central bank also discovered some foreign embassies and international organisations also use hundi transactions to avoid the government's

foreign exchange controls.

In the five month period after January 1999, the National Bank conducted Tk 72 crore transactions at its main branch in Sylhet. During this period, someone deposited Tk 55.47 crore and withdrew Tk 55.23 crore from the account of one A Ahmed, a service holder, by wire transfer.

Suspicious transaction also occurred at UCBL. Dealers used the accounts of M.A. Mukit and Abdullah, two factory workers, to transfer Tk 35.04 crore through its four branches in

Sylhet. In the principle branch of Southeast Bank, the central bank detected Tk 75.48 crore. including Tk 4.83 crore foreign wire transfers, deposited in the account of Nusrat Ali, a businessman.

Grameen Phone transferred Tk 18.19 crore to Nusrat Ali's account. This money was later transferred to a Sylhet account

by wire. The bank's Laldighirpar branch also engaged in suspicious transactions worth Tk 151.03 crore.

The same Nusrat Ali had Tk 325.87 crore deposited and withdrawn with and from its account at the Uttara Bank's corporate branch through wire and pay orders. From his accounts, Tk 1.25 crore was transferred to Ford Foundation's account with ANZ Grindlays Bank and Tk 1.05 crore to the account of the US Disbursement Office (USDO) maintained with American Express Bank. The central bank feels that a suspi-

cious transaction relationship has developed among Nusrat Ali, USDO and the Ford Foundation.

The central bank's inspection also found the Sylhet branch of Prime Bank was widely used by hundi dealers. It detected ten accounts at the branch which were used to transfer Tk 159.11 crore. One Sulaiman Mia had the highest Tk 102.87 crore deposited with his account during January. 1998 and July, 1999. This account was closed after the investigation.

2-day seminar on GSP Scheme begins in city EU to continue preferential treatment beyond 2004

Star Business Report

The European Union will continue preferential treatment for Bangladeshi products beyond 2004 when trades will be globally free, said EC officials at a seminar yesterday.

Most of the LDCs have substantial trade deficits with the developed countries, they said adding that better access to the markets of the wealthier nations would greatly help them reduce the imbalance.

They mentioned that the LDCs now contribute to only a minor fraction of the world trade volume, less than 0.5 per

The LDC exports represent on an average nine per cent of their GDP, which is eight per cent in case of Bangladesh. But their imports are equivalent to 16 per cent of their GDP, which is 10 per cent for Bangladesh, they pointed out.

The two-day seminar on European Community's GSP

Scheme, organised jointly by the Delegation of the European Commission in Bangladesh and Export Promotion Bureau (EPB), began at the city' Sonar-

gaon Hotel AB Chowdhury, Vice-Chairman of EPB, Jorg Volker Ketelsen, First Counsellor, Delegation of the European Commission in Bangladesh. and Md Fazlul Huq, Additional Secretary of the Ministry of Commerce, addressed the inaugural session of the seminar.

unimpeded access to the single European market is vital for Bangladesh. "The European Union puts emphasis on the importance that the LDCs are beneficiaries

Jorg Volker Ketelsen said an

of the multilateral trading sys-Emphasising the need for export diversification, Ketelsen said that the European market scenario would change for

Bangladesh garment industry by the year 2005 when quantitative restrictions on exports would be abolished.

In fiscal 1996-97, Bangladesh exported 44.1 per cent of its products to European Union while 32.4 per cent to the USA and 2.6 per cent to Japan, he added.

Additional Secretary Md Fazlul Huq pointed out that availability of GSP facilities had helped the country increase its exports substantially.

At the first business session of the seminar, W Plasa. Administrator of the "Generalized Tariff Preference" unit of the DG Trade at the EC, gave a presentation on GSP facilties while P Cuisson, Administrator of the "origin of goods" unit, Directorate General, Taxation and Customs of EC, gave a presentation on the rules of origin and bilateral, regional and cumulating systems.

Holding AGMs, paying dividends Authorities to crack down on defaulting companies

By M Shamsur Rahman

The Securities and Exchange Commission (SEC) will send a list of the publicly traded companies which do not hold annual general meetings (AGM) on a regular basis to the Registrar of Joint Stock Companies for necessary action.

The decision came at a meeting between the SEC and the Registrar of Joint Stock Companies yesterday.

The meeting also decided that both these organisations would work together to monitor and take necessary actions against the companies which do not hold AGMs and pay dividends within 60 days of declaration.

The SEC officials said that the meeting was arranged as some regulations of both the institutions overlapped with each other. The Companies Act says vaguely about dividend related issues.

"Many unscrupulous com-

Tofail tells JS

RMG Export

target fixed

at \$4,300m

Minister Tofail Ahmed in-

formed Parliament yesterday

that the export target of ready-

made garments for the current

fiscal year (1999-2000) has been

The target for exporting wo-

fixed at US \$4,300 million, re-

ven garments has been esti-

mated at US \$3,100 million and

for knitwear US \$1,200 mil-

lion, he said during the ques-

ter said that a number of steps

to establish backward linkage

industries has been taken to

make garment exports compet-

developed countries (LDCs) at

the ministerial conference of

the WTO at Seattle, he said

Bangladesh would raise the is-

sue of preferential arrange-

ments for the LDCs even after

poorer and marginalised be-

cause of the Uruguay round

agreement, we will raise the

ments are necessary for the

LDCs to be competitive in the

world market," he said adding

that at the same time, "We will

continue-our effort to set up the

the government has taken a

number of disciplinary actions

to stop quota forgery by a sec-

Industrial output

up in Malaysia

Malaysia's industrial output

surged by a stronger than ex-

pected 19.3 per cent in Septem-

ber on a year earlier in a clear

signal the economy's rebound

gathered pace in the third

said today the index of indus-

trial production, spurred by a

buoyant manufacturing sector,

expanded in the third quarter

by 13.6 per cent on a year earlier

and by 5.9 per cent over the first

25.2 per cent in September

compared with the same month

strong and bode well for the

economy," said Eddie Lee, re-

gional economist at Vickers

growth in industrial output,

which accounts for nearly 40

per cent of the gross domestic

product (GDP), underpinned an

accelerated recovery in the

we up .1 per cent on a year

earlier as the economy emerged

GDP in the second quarter

Economists said the strong

Manufacturing output leapt

"September figures are very

The Department of Statistics

quarter, reports Reuters.

nine months of the year.

Ballas in Singapore.

third quarter.

last year.

KUALA LUMPUR, Nov 9:

tion of the garment owners.

The Commerce Minister said

backward linkage industries."

Some preferential arrange-

"As we have been made

As the spokesman of 48 least

itive in the world market.

December 31, 2004.

demand," Tofail said.

Replying Alhaj Moqbul Hossain (AL-Dhaka), the minis-

ports UNB.

tion hour.

Commerce and Industries

panies take advantage of the loopholes in the Act and do not hold their AGMs regularly in order to hide their misdeeds. These companies do not even face any legal consequence which gives rise to a very bad corporate culture," according to one SEC official.

He also said that the recent SEC inquiry reports also indicate such bad corporate practices which need to be changed. He said that the SEC had

proposed amendments to the Companies Act to bring such defaulters to book. At the yesterday's meeting,

Registrar of Joint Stock Companies Mohammad Saifuzzaman said that his organisation was suffering from manpower crisis as there were only 39 employees including ten fourth class workers for its four offices in Dhaka, Chittagong, Rajshahi and Khulna.

He also said that it was not

possible to supervise about one lakh companies which come under the jurisdiction of the Joint Stock Companies with a

limited manpower. He pointed out that he neither had a computer nor a fax machine to conduct official work. "We also lack a separate monitoring wing and a legal department." he told the meeting.

Asia needs more reforms: WB

SINGAPORE, Nov 9: Asia's recovery, though firmly in place. remains heavily export-dependent and lacking in significant structural reform, World Bank Vice President Jean-Michel Severino told Reuters Television, reports Reuters.

"Asia is very vulnerable to export demand and it is one of the weaknesses of the recovery." he said.

(indicative) a			AND ASSESSMENT OF THE PROPERTY	The state of the s	1 -
Currency	Selling TT & OD	Selling BC	Buying TT clean	Buying OD Sight export bill	Buying OD transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Stg	80.8113	80.8763	79.6025	79.3394	79.2232
Deutsche Mark	26.7818	26.8033	25.8075	25.7066	25.6690
Swiss Franc	32.2148	32.2407	31.6255	31.5210	31.4748
Japanese Yen	0.4749	0.4753	0.4662	0.4647	0.4640
Dutch Guilder	23.7693	23.7884	22.9046	22.8151	22.7816
Danish Krona	6.9934	6.9990	6.8360	6.8135	6.8035
Australian \$	32.2101	32.2360	30.9335	30.8313	30.7861
Belgian Franc	1.2985	1.2995	1.2512	1.2464	1.2445
Canadian \$	34.1388	34.1663	33.1630	33.0534	33.0050
French Franc	7.9854	7.9918	7.6949	7.6648	7.6536
Hong Kong \$	6.4116	6.4167	6.3334	6.3125	6.3032
talian Lira ·	0.0271	0.0271	0.0261	0.0260	0.0259
Norway Kroner	6.3068	6.3119	6.2037	6.1832	6.1741
Singapore \$	30.1449	30.1691	29.1713	29.0749	29.0324
Saudi Rial	13.2954	13.3061	13.1146	3.0712	13.0521
JAE Dirham	13.5770	13.5880	13.3909	3.3466	13.3271
Swedish Krona	5.9822	5.9870	5.9080	5.8885	5.8799
Qatari Riyal	13.6967	13.7077	13.5068	13.4621	13.4424
Kuwaiti dinar	169.6112	169.7476	157.1207	156.6008	156.3715
Thai Baht	1.2822	1.2832	1.2690	1.2648	1.2630
Euro .	52.3806	52.4227	50.4752	50.2778	50.2041

49.2112 48.4980 48.0870 47.6760 46.8540 3 Months | 6 Months | Months | Months Month 5.40 6.06625 6.00125 6.04 6.08625 82.0644 GBP 5.8835 6.01906 | 6.04 6.33031 Cash/ Euro 3.51213 3.57125 3.6535 3.01475 3.4875 Thai Baht Malaysian Indonesian Korean Won

Amex Notes on Tuesday's Market USD/BDT market was dull, rates were stagnant in the 49.49 49.51 range, mainly because of USD liquidity in the interbank market. The call market has fallen to 5.6-5.75 per cent level

struggle to make its way past offers by Japanese exporters near 105.50 yen. Greenback was directionless, before US PPI data on Wednesday. Japanese finance minister Kiichi Miyazawa said the size of government's economic package was likely to be around 15 trillion yen, which is within market expectations and will have limited impact on yen. Japan economic ministers will hold cabinet meeting at 8.30 am on Thursday (2330 GMT Wednesday) to approve the package. Dollar stood at 105.30/35 yen against 105/23 yen in late US trading on

Sterling extends gains against USD, and probed session highs above \$1.6230 amid broad-based demand after sharp pullbacks in recent sessions. Dollar's broad pullback, notably vs Swiss franc to sub-1.55 levels, also seen helping pound recovery. Resistance for sterling seen at \$1.6235/40. Market awaits UK pre-budget statement due at 1530 GMT. Chancellor of Exchequer Brown seen delivering upbeat report and raising UK economic forecast for next two years.

At around 10:15 GMT the exchange rates of major currencies against USD were GBP/USD 1.6234/1.6244. USD/CHF 1.5462/5472, USD/JPY 105.24/105.34, EUR/USD 1.0402/

exchange rates

(indicative) a	Selling TT & OD	Selling BC	Buying TT clean	Buying OD Sight export bill	Buying OD transfer
US Dollar	49.7300	49.7700	49.3200	49.1570	49.0850
Pound Stg	80.8113	80.8763	79.6025	79.3394	79.2232
Deutsche Mark	26.7818	26.8033	25.8075	25.7066	25.6690
Swiss Franc	32.2148	32.2407	31.6255	31.5210	31.4748
Japanese Yen	0.4749	0.4753	0.4662	0.4647	0.4640
Dutch Guilder	23.7693	23.7884	22.9046	22.8151	22.7816
Danish Krona	6.9934	6.9990	6.8360	6.8135	6.8035
Australian \$	32.2101	32.2360	30.9335	30.8313	30.7861
Belgian Franc	1.2985	1.2995	1.2512	1.2464	1.2445
Canadian \$	34.1388	34.1663	33.1630	33.0534	33.0050
French Franc	7.9854	7.9918	7.6949	7.6648	7.6536
Hong Kong \$	6.4116	6.4167	6.3334	6.3125	6.3032
Italian Lira ·	0.0271	0.0271	0.0261	0.0260	0.0259
Norway Kroner	6.3068	6.3119	6.2037	6.1832	6.1741
Singapore \$	30.1449	30.1691	29.1713	29.0749	29.0324
Saudi Rial	13.2954	13.3061	13.1146	3.0712	13.0521
UAE Dirham	13.5770	13.5880	13.3909	3.3466	13.3271
Swedish Krona	5.9822	5.9870	5.9080	5.8885	5.8799
Qatari Riyal	13.6967	13.7077	13.5068	13.4621	13.4424
Kuwaiti dinar	169.6112	169.7476	157.1207	156.6008	156.3715
Thai Baht	1.2822	1.2832	1.2690	1.2648	1.2630
Euro - 52.3806		52.4227	50.4752	50.2778	50.2041
Bill buyir	g rates				302071
TT Doc 30 Days		60 Days	90 Days	120 Days	180 Dave

US Dollar London Interbank Offered Rate (LIBOR) Buying Selling Currency (\$) 49.0850 49.7300 USD 80.4601 Cash/ Exchange rates of some Asian currencies against US dollars Indian Rupee | Pak Rupee Ruplah 43.40/43.405 51.885/51.91 38.86/38.90 3.7995/3.8005 6840/6890

Dollar firmer vs yen by late afternoon Tokyo trading, but Monday.

The euro held steady early in Europe on Tuesday with the focus on leaks suggesting German joblessness fell by more than expected in October. Concern the European Central Bank may have been too pre-emptive in raising interest rates by half a percentage point last week had spurred concern about the outlook for growth in some of the euro zone's largest economies, including Germany. This helped drive the euro to eight-week lows below \$1.0350 on Monday and had kept it under pressure against the yen in Tokyo trading on Tuesday. But such worries were Put on the back burner for the time being after German government sources said on Tuesday the number of unemployed fell by a seasonally adjusted 11,000 in October while the jobless rate fell to 9.9 per cent from 10.1 per cent in September. "These German numbers a bit more encouraging for the euro but the impact should be very limited," said Audrey Childe-Freeman, European economist a CIBC World Markets in London. The euro's ability to rebound against the dollar was seen hampered after US stocks' resilience to antitrust findings against software giant Microsoft Corp assuaged concern that investors would bail out of the US asset market and sell

Oil prices rise on OPEC signal LONDON, Nov 9: Oil's latest

rally gathered conviction yesterday as OPEC ministers gave the clearest signs yet that they could extend stiff supply curbs.

International benchmark Brent in London for December delivery closed up 45 cents at \$ 23.28 a barrel, moving steadily back towards September's three-year high at \$ 24.30, reports Reuters.

Renewed gains came as OPEC heavyweights flagged their will-ingness to consider extending the output cuts that have more than doubled prices this year beyond an existing March expiry date. Iranian Oil Minister Bijan

Zanganeh said after a meeting

with Saudi Arabian counterpart Ali al-Naimi on Sunday that export cartel OPEC was likely to carry on production curbs in March if stocks of spare stored oil stayed high. "It depends on the level of

stocks in March and the price. If these two factors are like (they are) now, it is probable we will extend our pledge," Zanganeh said.

stock exchange Monday in New York. Microsoft was down by as much as four points early in the day because of a federal court ruling against the software giant 05 November, 1999. The ruling said that Microsoft has a monopoly in the personal computer operating system - AFP photo US, China reach moment of decision in WTO talks Although time was running

Microsoft Corporation stock information (L) is seen on a wall of monitors at the NASDAQ

WASHINGTON, Nov 9: With world trade talks just three weeks away, the United States and China have arrived at the moment of decision on Beijing's bid to join the World Trade Organisation, reports Reuters. A final round of negotiations could be announced in the coming days, after President

Bill Clinton and senior administration officials appealed directly to Beijing to reengage. trade sources said In preparation, the Clinton administration has been fineturning its market-access demands, which could serve as the basis of a last-minute compromise acceptable to China, as well as US business groups and

their allies in the Republican-

controlled Congress.

out and major hurdles remained, experts said Washington and Beijing could still work out their differences before World Trade Organisation (WTO) members gathered in Seattle Nov 30, clearing the way for China's accession into the 134-member trade body at the meeting or early next year.

> Clinton sends aide to Beijing

Another report says: President Bill Clinton took the unusual step of sending a trusted White House aide to China with his trade negotiator to show how serious he was about striking a deal for Beijing to join the World Trade Organisation (WTO). US government officials and trade analysts said.

Gene Sperling, who chairs the influential White House National Economic Council, left Washington on Monday with US Trade Representative Charlene Barshefsky on a mission to China to resume negotiations on its bid to join the

"The president wants to send the signal that we are dead serious," said a US official, who asked not to be named. "There is a window of opportunity and, without setting any artificial deadlines, we want to signal

that this is a critical time to move," the official added.

Asia still home to 900m extremely poor people

ADB launches new battleplan

MANILA, Nov 9: In a radical policy overhaul, the Asian Development Bank launched today a new battleplan to conquer the region's massive problem of poverty, says AFP.

The move followed a dressing down of the bank's management by Western donors during its annual meeting here in May, for lending heavily to help bail out countries stricken by the 1997 Asian financial crisis. European donors, sanctioned by the United States.

urged the bank to refocus on its

role of addressing the structural

causes of poverty and leave the

role of fighting financial tur-

moil to the International Mon-

etary Fund.

"Despite the development gains of the past few decades. Asia is still home to 900 million extremely poor people. This is unacceptable," said ADB president Tadao Chino, who succeeded fellow Japanese Mitsuo Sato in January.

"Public policy and action can change this and we are refocusing our work with the single, over-arching goal of eliminating poverty from the region," he said in a statement.

The new strategy was recently endorsed by the Manilabased bank's 57 shareholder economies. Under the blueprint, the ADB's major goals of promoting

economic growth, improving

the status of women, protecting the environment and developing human resources will be rendered into a single objective: combating poverty. show that they directly or indi-

very poor people," said bank vice president Peter Sullivan, who headed the committee which drew up the plan. "This means we'll be doing more farm-to-market roads

from the deepest recession in with 1.7 billion dollars. more than four decades.

"Future projects will have to rectly benefit large numbers of

and fewer expressways, more rural electrification projects and fewer big power plants."
Of the 6.0 billion dollars the ADB lent in 1998, the financial sector accounted for 28 per cent