

Default on billion dollars debt

Creditors to sue Russian govt

MOSCOW, Dec 17: A group of creditors said Thursday it will sue the Russian government in the country's Constitutional Court for defaulting on more than a billion dollars in domestic debt, reports AP.

The Moscow Club of Creditors, which represents both foreign and Russian investors, said the government violated bond conditions by failing to include funds for a \$1.3 billion principal payment on Ministry of Finance Series III bonds in the 1999 budget.

Russia's government is saddled with a huge debt burden, and cannot pay all creditors. Some creditors are attempting to reschedule the debt, while others have accepted tiny one-off payments along with other unfavourable terms.

Russia's total debt burden, including debt inherited from the Soviet Union, amounts to about \$150 billion. Under current agreements, Russia is obliged to pay \$15 billion a year on principal and capital, which would amount to about two-thirds of the annual budget this year.

Unable to make the payments, Russia has a policy of paying post-Soviet debt while

defaulting on debt inherited from the Soviet Union.

The Series III bonds are rescheduled Soviet-era debt.

The government defaulted on the payment May 14, although it paid interest on the bonds.

"It is important to not just protect these investors, but to protect the interests of all investors in government securities," said Alexander Auzan, president of the International Confederation of Consumers' Associations, commenting on the group's decision to sue.

The Moscow Club of Creditors will file its suit in January, Auzan told a press conference. The club had failed to reach agreement with the government after two months of negotiations.

Members of the club said the government rejected all of their suggestions for restructuring.

Reuters says: Russian Finance Minister Mikhail Kasyanov said yesterday it was vital that new tranches of International Monetary Fund cash be released before the end of the year to avoid a severe debt crunch in the New Year.

Kasyanov, briefing reporters

after a meeting of the Group of 20 countries in Berlin, said Russia would find it difficult to cover \$3 billion in foreign debt repayments due in the first quarter of 2000 without the IMF money.

The IMF has held up the disbursement of a second tranche of \$640 million from a \$4.5 billion lending facility agreed in July, arguing Russia has not fulfilled some of the structural reform conditions attached to the loan.

"It would create difficulties for us if we do not receive the funding by the end of this year," Kasyanov said after holding bilateral meetings with IMF Managing Director Michel Camdessus and finance ministers from leading western nations, including US Treasury Secretary Lawrence Summers.

While the Fund has cited failure to fulfil the requirements for the release of the tranche, Russia believes the West is really withholding payments because of the military campaign Moscow is prosecuting in Chechnya. The United States, the fund's largest shareholder, has publicly denied those charges.



German Finance Minister Hans Eichel (r) chats with his counterparts from Canada, Paul Martin (l), and South Korea, Kang Bong-Kyun, prior to the G20 finance ministers meeting in Berlin Thursday.

— AFP photo

Ministers hail global growth, analyse crises causes

G20 gives big thumbs-up to globalisation

BERLIN, Dec 17: Finance Ministers of the world's major industrialised nations and large emerging states met here yesterday and gave a big thumbs-up to globalisation, reports AFP.

Canadian Finance Minister Paul Martin said the Group of 20 (G20), meeting for the first time, sought "to create opportunities that will make people's lives better."

Referring to the failure of the World Trade Organisation (WTO) to launch a new round of global trade liberalisation talks in Seattle in early December, Martin said: "People have concerns that globalisation means governments won't be able to protect them. These are legitimate concerns."

The G20 ministers, in a final statement issued after the one-day meeting, reaffirmed the importance of continued progress by the WTO toward multilateral liberalisation of trade in goods and services.

It said this "would bring broad-based benefits to the global economy."

Martin said a number of measures were necessary such

as "complete transparency in national balance sheets."

Also, "countries could make crises less likely by frustrating excessive foreign borrowing," Martin said.

He reinforced a call by US Treasury Secretary Larry Summers for the International Monetary Fund (IMF) to reduce its long-term involvement in overseeing struggling countries by saying that since "private sector capital flows dominate international markets ... the private sector must be at the centre" in meeting financial crises.

German Finance Minister Hans Eichel said, however, that he did not know if the IMF can in critical situations withdraw and by the European Central Bank (ECB).

The G20 countries account for nearly 87 per cent of world gross domestic product (GDP) and for about 65 per cent of the total global population.

The countries "discussed a range of possible domestic policy responses to the challenges of globalisation and exchanged views on the role of the international community in helping to reduce vulnerability to crises."

order to prevent crises, such as the Asian financial crisis.

But both German and French officials were insisting on the sidelines of the G20 meeting that the new grouping would not — and should not — replace the current fora, such as the G7, just yet.

The G20 brings together the G7 — Britain, Canada, France, Germany, Italy, Japan and the United States — with Argentina, Australia, Brazil, China, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa, South Korea and Turkey.

The European Union is also a member and was represented at the inaugural session by Finland in its role as EU president and by the European Central Bank (ECB).

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Spillover effect of Seattle fiasco

US trade deficit hits new record

WASHINGTON, Dec 17: The US trade deficit jumped to a record \$25.94 billion in October, as gaps with China and Japan swelled to new highs and oil prices climbed to nearly a three-year peak, the government said on Thursday, reports Reuters.

The unexpected jump in the deficit came two weeks after the collapse of global trade liberalisation talks in Seattle and highlighted the difficulty Washington was having in prying open foreign markets as American exports slipped for a second straight month.

The Commerce Department said the trade deficit in October

was wider than the \$24.3 billion gap forecast by Wall Street analysts, and compared with a revised \$24.15 billion deficit in September. Imports rose to an unprecedented \$107.86 billion, driven by the booming US economy.

Commerce Secretary William Daley said the deficit may widen further in the months ahead.

He cited stronger exports and improved economic conditions in parts of Asia as encouraging signs, but said a 126 per cent surge in oil prices from last January's 25-year low was a major factor in the deficit's rise.

Weekly Currency Roundup December 12-15, 1999

The local foreign exchange and money market was active despite the strike on Monday and public holiday on Thursday. The demand for the US dollar was moderately high due to import payments. The call rate ranged between 5.5 and 7 per cent.

The call rate rose on Monday due to increased government borrowing through treasury bill. Bangladesh Bank accepted treasury bill worth DDT 2,069 crore.

In the international foreign exchange markets, euro initially dropped against the US dollar and nearly touched the parity, but strong German industrial data rescued the single currency, pulling it back above USD 1.02.

The British pound fell to USD 1.6030 level despite favourable employment data. However, Euro's rise also helped pound climb back above 1.61 level.

The USD touched JPY at 103.80, but fell back due to selling pressure. On Friday, trading was very thin and it is expected to remain so as the Christmas and Y2K black-out period is coming closer. — Standard Chartered Bank



University of Dhaka: Applications in prescribed form obtainable from the Office of the Registrar are invited from the Bangladesh nationals for three temporary posts of Lecturer (against leave vacancy) in the Department of Statistics in the scale of Tk 4300-185X7-5595-EB-195X11-7740/-.

Qualifications: Candidates must have first class either in Honours or in Masters degree in Statistics with at least second division in SSC & HSC examinations. If candidates with above qualifications are not available the conditions may be relaxed. Other qualifications being equal preference will be given to those who have M Phil degree.

Eight copies of application together with attested copies of certificates, testimonials and marks-sheets along with a Pay Order/Bank Draft of the value of Tk 100/- only payable to the Registrar, should reach him on or before 30-12-1999. Candidates already in service must apply through proper channel. GD-1205

শিক্ষা বোর্ড কম্পিউটার কেন্দ্র

সড়ক নং-১২/এ, ধানমন্ডি আ/এ, ঢাকা

দ্বরপত্র বিজ্ঞপ্তি

নং-শিবোক/ফ্লাইচার/পার্ট-১/১৯/

দেশের ৬টি শিক্ষা বোর্ডের (মাদ্রাসা বোর্ডসহ) জন্য ২০০০ সালের মাধ্যমিক, উচ্চ মাধ্যমিক, দাখিল, আলিম, ফাজিল ও কামিল পর্যাক্ষর প্রবেশপত্রের (আনুমানিক ১৬ লক্ষ) ক্ষেত্রে রেখাবন্ধন করার জন্য একটি মুদ্রণ প্রেস-এর কাছ থেকে সিল্বারক্রস স্পেসে সর্বপ্রথম মুদ্রণ করা যাচ্ছে। সর্বপ্রথমে সাথে মোট ২.৫% (শতকরা আড়াই) টাকা (ফেরতমোহো) আর্টিস্টমানি বাসন যে কোন তক্ষিসি বাণিজ্যিক ফ্লাইচার প্রেস-অর্টিস্টের এর মাধ্যমে চোয়ারমান, শিক্ষা বোর্ড কম্পিউটার কেন্দ্র এবং ততানুধানের অনুরোধ জানানো যাবে।

সর্ব নিম্ন দর এক্ষণ্ড করতে কর্তৃপক্ষ বাধা নয় এবং কোন কারণ দর্শনো ছাড়াই। দরগতের অধিক বা সম্পূর্ণ বাতিল করার ক্ষমতা কর্তৃপক্ষ সরকারের কর্তৃক করেন।

প্রক্রিয়া উচ্চ প্রক্রিয়া এবং কোন কারণ দর্শনো ছাড়াই। দরগতের অধিক বা সম্পূর্ণ বাতিল করার ক্ষমতা কর্তৃপক্ষ সরকারের কর্তৃক করেন।

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মাধ্যমিক ও উচ্চ মাধ্যমিক শিক্ষা বোর্ড, ঢাকা।



A memorandum of understanding was signed between JAGO Corporation Ltd and Guerdon Network Limited on

marketing of Reverse Osmosis Water Dispenser, Model No. MRS-060 in Bangladesh at JAGO conference room on Tuesday. Liao-Chen-Tien, Managing Director of JAGO Corporation Ltd, and Ariful Alam Mia, Managing Director of Guerdon Network Limited, signed the MOU on behalf of their respective sides.

Beijing ambassador to US blasts critics

Crucial EU-China WTO talks expected next month

of the EU's trade requests, wishing to see a response before new talks were held, the source said, adding that the Chinese had not yet given a detailed response.

"A delegation of officials will go to China some time in mid-January to negotiate. When the negotiations are sufficiently advanced, they will call over Lamy to finalise a deal," the source said.

EU negotiators were prepared to stay in Beijing for as long as it took to conclude the agreement, he said.

An annual EU-China summit will be held in Beijing next Tuesday. The talks will review economic and trade relations including China's WTO bid, but no detailed negotiations on that issue will be held there and no breakthrough is expected.

The EU's executive Commission will be represented by President Romano Prodi and external Relations Commissioner Chris Patten, but Lamy will not go because the Europeans do not think WTO negotiations are ripe for him to get involved yet.

China asked the EU to send a high-level delegation to Beijing for negotiations before Christmas, but the EU resisted being rushed into an agreement, the EU source said.

At the Seattle meeting between Lamy and Shi, EU officials handed over a detailed list

this month he hoped China could complete agreement with the EU in December and with around 20 other WTO members that have yet to wrap up negotiations by the end of February.

Any WTO member can demand talks with applicant countries to discuss trade concerns and seek market-opening pledges.

An AP report from College Park in Maryland says: China's US ambassador said Thursday that his country's entry into the World Trade Organisation would benefit both nations.

Opponents of the move "don't know what they're talking about," said Li Zhaoxing, speaking at the University of Maryland. He denied that China is a threat to the United States and ridiculed allegations of Chinese nuclear espionage.

But he applauded the agreement with the United States on China's WTO entry and predicted increasing economic cooperation between the two countries despite their lingering differences.

This is good news for China, for America and for the whole world," Li said.

The Security Printing Corporation (Bangladesh) Ltd, Gazipur

International Tender for Supply Comb & Spare Cutting Plates for Comb Perforating Machine

Sealed tenders are hereby invited for supply Combs & Spare Cutting Plates for Comb Perforating Machine of this Corporation. Tender paper showing terms and conditions with specification will be available from the office of The Security Printing Corporation (Bd) Ltd, Gazipur and its Liaison Office at 16, Naya Paltan, Dhaka during all office days between 12:00 to 2:30 PM from 19.12.99 to 30.12.99 on payment Tk. 300.00 (Taka three hundred) only (Non-refundable) per set of tender schedule. Earnest money @ 2% (Two and a half per cent) of the total tendered amount shall be deposited in the form of Bank Draft/Pay Order/Bank Guarantee along with the tender in favour of The Security Printing Corporation (Bd) Ltd, Gazipur.

The tender(s) under sealed cover addressed to the Managing Director, The Security Printing Corporation (Bangladesh) Ltd, Gazipur will be received in his office chamber up to 3:00 PM on 20.01.2000 and shall be opened at 3:05 PM on the same date at Gazipur in presence of tenderers (if any). Tenders may be sent also through Postal/Courier Services which must be reached within the scheduled time.

The authority reserves the right to accept or reject any or all the tenders without assigning any reason.

Kh Nur Alam

Deputy General Manager (P&S)

GD-1204