

Protest against call for liquidation of three 'sick' banks

Bank employees besiege Indian confederation of industries

NEW DELHI, Dec 21: Hundreds of employees of three state-owned banks besieged the country's largest trade lobby yesterday to protest its call for the liquidation of the three 'sick' banks, reports AFP.

The workers also accused the Confederation of Indian Industries (CII) of "sheltering" industrialists who allegedly owe around 500 rupees (11 billion dollars) to India's ailing banking sector.

Workers from Indian Bank, United Bank of India and Commercial Bank of India marched to the CII headquarters in downtown New Delhi and raised slogans against its recommendations to the government, witnesses said.

"The CII should not fool around with the people and the government," they said in a statement on the CII, a trade lobby of 3,500 top-and-medium-level businesses which last week recommended the liquidation of the three banks.

The CII, which had said the three banks were living on "ar-

tificial respiration" and called for their shut-down at a cost of 2.26 billion dollars, however, said the recommendation was withdrawn on Sunday.

"We on Sunday asked the government to delete the recommendation," a CII spokeswoman said after Monday's protest.

The recommendations had stung not only the management of the three banks but also the powerful All India Bank Employees Association which on Saturday had threatened to expose the names of CII defaulters.

The union claimed top CII members including its President Rahul Bajaj alone owed a total of more than 10 billion rupees (232 million dollars) to public sector banks.

"The CII by deliberately releasing the report has contributed to the woes of the public sector banks which are already reeling under the impact of the failure of some of their members to repay the loans they had secured from the na-

tionalised banks," it said.

The CII in a late night statement denied that Bajaj was one of the defaulters, but opposition members in parliament disrupted business on Monday and demanded a statement on the allegations.

"We asked the government not to consider these recommendations, keeping the sentiments of the banks, employees and management in mind."

"Maybe we have not worked out a comprehensive plan for the closure," Das conceded.

The CII chief declined to comment on the negative reactions of other rival trade bodies here to the CII's thorny proposals.

Another bank workers' union, meanwhile, flayed the CII on Monday.

The Bank Employees Federation of India alleged the CII's

proposal was part of a corporate plot.

"It is a clear that the industrialists of this country are responsible for making the banks sick and weak," the Federation said.

"It is, therefore, not surprising that industrialists who owe huge sums to nationalised banks would recommend such action so that they are not called upon to fulfill their obligations towards (the three) banks," a Federation spokesman said.

A Delhi-based union of banking officials staged a sit-in elsewhere in the city on Monday, the police said.

The Indian government is trying for a consensus on privatisation in the banking sector, which is a sensitive issue in a country used to decades of quasi-socialist central planning.

India's state-run banks are notorious for poor performance, inefficiency and labour problems.



Best Aviation, the country's first private sector helicopter service, is making business in carrying foreign visitors to tourist places. A Japanese investors' team yesterday took the opportunity to see the countryside and jumped on board a chopper.

— Star photo

Oil prices slip as Iraq raises export

LONDON, Dec 21: Oil prices slipped a little yesterday as Iraq increased the flow of exports under the latest stage of its oil-for-food programme with the United Nations, says Reuters.

Benchmark Brent for February delivery in London closed down 22 cents at \$25.30 a barrel after leaping to a nine-year high above \$26 last Thursday.

On Sunday Iraq began exports from its northern Kirkuk oilfields via the Turkish Mediterranean port of Ceyhan under the seventh phase of oil-for-food adding to supplies from the Gulf Mina-al Bakr port.

Baghdad rejected Friday's UN Security Council resolution on sanctions, an article of which eliminated the cap on oil export revenues under oil-for-food.

Sources in Iraq said Baghdad would stick to the previous \$5.26 billion revenue cap because it wanted no part of the new resolution seeking to return weapons inspectors to the country.

However, it appears that such a decision will not have any "outrage" of oil-for-food. A senior Iraqi oil official said on Sunday that in the early stages of the new phase Iraq was aiming to export 2.2 million barrels a day, only slightly short of average supplies under the previous phase.

"At the moment we're aiming for exports of 2.2 million barrels a day," the official said by telephone from Baghdad. Under the previous round, exports averaged 2.17 million BPD with

2.3 million the norm toward the end of the phase.

The news should allay fears in the oil market that Iraq might severely curtail exports to stretch out the \$5.26 billion over a full six months.

But if Baghdad insists on sticking to the \$5.26 billion revenue cap, current high oil prices probably mean it would have to suspend sales several weeks before the end of the current phase.

Iraq's Oil Minister Amir Muhammad Rasheed is expected soon to make a statement on oil policy.

Oil dealers said last week that individual customers export contract volumes were running about 35 per cent lower than under the final quantities of the previous phase of oil-for-food.

In oil-for-food's sixth phase Iraq took full advantage of a UN decision to waive the \$5.26 billion revenue ceiling on humanitarian grounds and eventually sold \$7.45 billion of oil.

Continuing to underpin oil prices on Monday was output restraint by OPEC and other major oil exporting nations.

US Energy Secretary Bill Richardson said last week that oil prices were dangerously high, and he was drawing up options for the White House to consider using to lower them.

But Richardson clarified his remarks on Tuesday by saying oil from the reserve would be sold only in the event of a national emergency and not to lower prices.

Clinton admn yet to decide on Ex-Im Bank loan to Russia

WASHINGTON, Dec 21: The Clinton administration said yesterday it has not decided whether to block \$500 million in controversial loan guarantees being considered by the US Export-Import Bank for Russia's oil sector, reports Reuters.

The administration has been urged to block the funding for Russia's Tyumen Oil Co. to protest Moscow's military campaign against Chechnya and the Russian government's failure to protect foreign investment.

"The US government has the right to block a transaction based on national interest, but no decision has been made on that," White House spokesman Joe Lockhart said, when asked by reporters if the administration will invoke US law to block the Ex-Im Bank loan.

The law gives Secretary of State Madeleine Albright authority to stop the loan if it is determined that Russia is violating human rights.

The State Department is reviewing whether that law should be applied in this case, and could step in to block the loan up to the time the Ex-Im Bank votes on the guarantees.

The bank's board was still scheduled to take up the loan during a closed meeting on Tuesday that is set to begin at 9:30 am (1430 GMT), an agency

spokesman told Reuters on Monday.

There are basically four options for the loan: the administration could block it, the Ex-Im Bank could approve it, the bank could reject it, or the bank could delay a decision.

Int'l banking system prohibits dollar payments in 3 states

AUCKLAND, Dec 21: The international banking system has prohibited all US dollar payments to banks in three Pacific countries — Nauru, Palau and Vanuatu — a document obtained by AFP today reveals, reports AFP.

Deutsche Bank Global Institutional Services and Bankers Trust say it is the first time they have ever taken such action.

Nauru has been accused of laundering up to 70 billion US dollars of Russian Mafia money.

The two banks operate the SWIFT international money transfer system and they say their action has been taken to prevent banks being "abused by unlawful elements."

The Ex-Im Bank was created in 1984 and provides funding and other financial assistance to promote US exports. The Bank guarantees the repayment of loans or makes loans to foreign purchasers of US goods and services.

Lockhart said the Ex-Im Bank is an independent agency that looks at loans based on "commercial viability and economic issues," with politics supposedly left out.

Nonetheless, he said the White House sent the bank information last week about Tyumen that it thought was "relevant" for the bank's decision making.

An Ex-Im Bank spokeswoman said on Friday the information was not new and had already been considered by agency staff, which has recommended that the loan guarantees be approved. She also said the administration did not include any suggestion how the bank should vote on the loan.

BP Amoco has urged the loan be voted down after losing a fight with Tyumen to gain control of Russian oil company, Chernogor, a subsidiary of Bankrupt Sidanko. BP Amoco has a 10 per cent interest in Sidanko.

ROK conglomerates' debt-equity ratio down

SEOUL, Dec 21: South Korea's four largest conglomerates will meet the IMF's target of lowering their debt-equity ratios to below 200 per cent by the end of this year, financial authorities said today, reports AFP.

The average debt-equity ratio of the four conglomerates, including Hyundai, Samsung, LG and SK, came down to 254.6 per cent at the end of June from 352 per cent six months before, the Financial Supervisory Commission (FSC) said.

This figure is certain to fall below 200 per cent by the end of this month, FSC head Lee Hun-jai said.

Lee made the report at a luncheon meeting of economic ministers, heads of the four business groups and 43 business firms and 30 financial institutions which completed corporate restructuring successfully.

The luncheon was hosted by President Kim Dae-jung at the presidential Blue House to review the corporate and banking sector restructuring after the country was hit by a severe economic crisis in late 1997.

The lowering of debt-equity ratios is one of key conditions for a 57-billion-dollar international bailout arranged by the IMF (International Monetary Fund).



Lt Gen Muhammad Mustafizur Rahman, Bir Bikram, Chief of Army Staff and Chairman of The Trust Bank Ltd, opens the bank's 2nd branch at Sena Kalayan Bhaban in the city on Monday. Md Helal Uddin, Managing Director of the bank, is also seen in the picture.

— Trust Bank photo

Japan's Softbank unveils \$ 100m investment plan in S Korea

SEOUL, Dec 21: Japan's Softbank Corp. said Tuesday it will open investment holding companies in South Korea and China as part of its global strategy to expand into Internet-based business, says AP.

Softbank, a software wholesaler and computer-magazine publisher, recently announced plans to invest 230 billion yen (\$ 1.89 billion) in Internet start-ups in the United States and Japan.

"Internet is happening everywhere in the world," Softbank President Masayoshi Son said at a news conference. "I would like to support people with spirit and good ideas anywhere in the world."

Son arrived in Seoul on Monday night to unveil his investment plans in South Korea. He met President Kim Dae-jung on Tuesday.

Softbank, Son said, will have an 80 per cent stake in a joint-venture holding company in South Korea, which will start operation in the first half of next year with an initial capital of \$ 100 million.

Vietnam gives foreign investors mixed review

HANOI, Dec 21: Vietnam gave foreign investors a mixed review for the year today, saying they had helped generate jobs and exports, but also violated worker rights and were slow in paying taxes, says Reuters.

In a lengthy report, the official Vietnam News Agency (VNA) said some foreign investors had deliberately run joint ventures at a loss so they could eject local partners and take over the entire business.

The VNA report comes one week after foreign investors met government officials and painted a gloomy picture of Vietnam's expensive and bureaucratic business environment.

Donors have estimated foreign investment inflows will be \$600 million this year, the lowest level since 1992.

Many foreign firms have pulled out in the past two years or scaled back their operations, complaining that the government has been too slow to reform the economy.

VNA said foreign-invested businesses represented 35 per cent of industrial output in

communist-ruled Vietnam this year and 22 per cent of export turnover.

Export turnover at foreign-invested firms would grow more than 20 per cent this year compared with 1998, VNA said, without giving comparative figures on industrial output growth.

The growth of businesses with foreign investment was impressive since other sectors had faced declining growth rates, the agency added.

But VNA also delivered a few barbs.

"Other foreign investors have violated their employees human rights or legitimate interests or intentionally operated their joint ventures at a loss and were slow in paying to the state," it said.

Many joint ventures have struggled in Vietnam, partly because local partners lack the financial backing to cope with losses as a business gets off the ground or because they have been reluctant to spend money on advertising.

This has led to several high-profile buyouts by foreign partners.

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. Clean | Buying OD Sight | Buying OD Export Bill |
| US Dollar | 51.2300 | 51.2700 | 50.8100 | 50.6570 | 50.5850 |
| Pound Ster | 82.8287 | 82.8933 | 81.5907 | 81.3450 | 81.2294 |
| Deutsche Mark | 26.9400 | 26.9610 | 25.9138 | 25.8358 | 25.7990 |
| Swiss Franc | 32.6805 | 32.7060 | 31.9841 | 31.8878 | 31.8425 |
| Japanese Yen | 0.5025 | 0.5028 | 0.4930 | 0.4915 | 0.4908 |
| Dutch Guilder | 23.9097 | 23.9284 | 22.9889 | 22.9297 | 22.8971 |
| Danish Krona | 7.0255 | 7.0310 | 6.8690 | 6.8483 | 6.8386 |
| Australians | 33.4737 | 33.4998 | 32.1576 | 32.0608 | 32.0152 |
| Belgian Franc | 1.3062 | 1.3072 | 1.2564 | 1.2526 | 1.2508 |
| Canadian \$ | 34.9741 | 35.0014 | 33.9684 | 33.8662 | 33.8180 |
| French Franc | 8.0325 | 8.0388 | 7.7266 | 7.7033 | 7.6924 |
| Hong Kong \$ | 6.6054 | 6.6105 | 6.5251 | 6.5055 | 6.4963 |
| Italian Lira | 0.0272 | 0.0272 | 0.0262 | 0.0261 | 0.0261 |
| Norway Kroner | 6.4565 | 6.4616 | 6.3516 | 6.3324 | 6.3234 |
| Singapore \$ | 31.0372 | 31.0164 | 30.0867 | 29.9462 | 29.9035 |
| Saudi Rial | 13.6964 | 13.7071 | 13.5108 | 13.4701 | 13.4510 |
| UAE Dirham | 13.9869 | 13.9979 | 13.7958 | 13.7543 | 13.7347 |
| Swedish Krona | 6.02453 | 6.0501 | 5.9676 | 5.9496 | 5.9412 |
| Qatari Rial | 14.1176 | 14.1286 | 13.9194 | 13.8775 | 13.8578 |
| Kuwaiti dinar | 173.9854 | 174.1212 | 161.5232 | 161.049 | 160.870 |
| Thai baht | 1.3551 | 1.3551 | 1.3383 | 1.3343 | 1.3324 |
| Euro | 52.6901 | 52.7312 | 50.6880 | 50.5304 | 50.4585 |

| Bill buying rates | | | | | |
|-------------------|---------|---------|---------|----------|----------|
| TT Doc | 30 Days | 60 Days | 90 Days | 120 Days | 180 Days |
| 50.7112 | 50.3866 | 49.9632 | 49.5398 | 49.1163 | 48.2695 |

| US dollar London Interbank Offered Rate (LIBOR) | | | | | |
|---|---------|----------|---------|----------|----------|
| Buying | Selling | Currency | 1 Month | 3 Months | 6 Months |
| 50.5850 | 51.2300 | USD | 6.46125 | 6.12 | 6.09125 |
| 61.2294 | 82.8287 | GBP | 5.62125 | 5.9799 | 6.15734 |
| Cash/TC | Cash/TC | Euro | 3.55 | 3.45563 | 3.49 |

| Exchange rates of some Asian currencies against US dollars | | | | | |
|--|--------------|-------------|-------------------|-------------------|------------|
| Indian Rupee | Pak Rupee | Thai Baht | Malaysian Ringgit | Indonesian Rupiah | Korean Won |
| 43.495/43.50 | 51.885/51.90 | 37.85/37.95 | 3.7995/3.8005 | 7070/7090 | 1134/1135 |

Amex notes on Tuesday's market
There was little change in the USD/BDT market rates moved between 51.10-51.11. The call rates have fallen a little, coming down to 5.25-5.75 per cent level.

The euro was trying to climb higher against the dollar as the market covered some short positions in case US assets react negatively to the outcome of FOMC. The euro stood at \$1.0138/48, a touch firmer than Monday's US close of \$1.0130 but dealers said it faced stiff resistance around \$1.0145. The market was deadlier quiet due to the Christmas holidays and Y2K jitters. Most banks have ceased trading on their own books and are only exercising customer orders, dealers said. The volume of spot trades on Monday was a scant \$4.046 billion. On the Monday before Christmas last year, volume was around \$7 billion and dwindled almost to \$3 billion on December 30. "Absolutely nothing is happening in the market. The dollar was only affected by US stock and bond markets on fears over the Fed adopting a tightening bias," a foreign bank dealer said. "But even if they did take a tightening bias, it's not going to be a big surprise." The Fed is expected to release a statement on its December FOMC meeting at about 1915 GMT.

The dollar was quoted at 102.35/45 yen, just above the 102.30 low touched overnight following a one per cent fall in the Dow Jones Industrial Average on speculation that the Fed would drop its current neutral policy and adopt a bias toward tighter credit. The dollar had closed on Monday at 102.90/92 yen in Tokyo and at 102.43 in New York. The dollars upside was blocked by exporter offers near 102.80/90 yen, while the downside was supported by bids from government-affiliated financial institutions hiding near 102.30 yen, dealers said. Institutional investors are also said to have placed bid orders at that level. Earlier on Tuesday, the Bank of Japan (BOJ) signalled a slightly rosier view of the Japanese economy. In its December report, the central bank did not change its basic cautious assessment that the world's second-largest economy was no longer shrinking and was heading for better days, although the overall assessment remained cautious, saying there was no sign of a self-sustaining recovery in the private sector. The report had no impact on the currency market, however.

Dealers said the slightly weaker outcome of the Ministry of International Trade and Industry's (MITI) all-industries index may have offset the BOJ report and limited yen buying in the morning. The index, which is a closely watched measure of Japan's economic growth, fell 0.6 per cent in October from the previous month, according to data released on Tuesday.

At GMT 9.00 exchange rates of major currencies against USD were GBP/USD 1.6099/1.6106, USD/CHF 1.5810/58.15, USD/JPY 102.41/102.46 EUR/USD 1.0116/1.0118.

RHD Notice

Inviting Tender

- Inviting Sealed Tender Notice BD Form No. 2911
- Tender Notice No. : 119/RDG of 1999-2000.
 - Name of work : Providing Bituminous Seal Coat work with necessary repair & carpeting at different KM of Joydebpur-Mowna-Mymensingh Road, under Gazipur Road Division, during the year 1999-2000. In 05 (five) groups.
 - Estimated cost : As per Group List.
 - Earnest money : As per Group List.
 - Time allowed : As per Group List.
 - Eligibility of contractor : As per Group List.
 - Chargeable Head : 266-C.A.
 - Name of offices of availability of tender documents : Office of the Divisional Commissioner, Dhaka/ Executive Engineer (RHD), Road Division, Gazipur/Dhaka/Manikganj/Munshiganj/Narayanganj/ Narshingdi/Planning & Design Division, Dhaka Zone, Dhaka/ Bridge Design Division-1 (East), Dhaka/SDE (RHD), Road Sub-Division, Tongi/Joydebpur.
 - Name of offices of received of tender bids : Office of the Divisional Commissioner, Dhaka/ Superintending Engineer (RHD), Dhaka Road Circle, Dhaka/Planning, Monitoring & Evaluation Circle, Dhaka Zone, Dhaka/Procurement & Monitoring Circle, Dhaka/ Executive Engineer (RHD), Road Division, Gazipur/SDE (RHD), Road Sub-Division, Tongi/Joydebpur.
 - Last date & time of selling of tender documents : 28/12/99 during office hours.
 - Last date of receipt of tender documents : Up to 12:30 PM on 29/12/99.
 - Date & time of preparing list of tender received by the respective receiving offices : At 12:45 PM on 29.12.99 (the sealed envelopes shall not be opened by the respective receiving offices). Those will be opened in this office after collection all the tender papers from all the receiving office on 5.1.2000 at 10:00 AM.
 - Date of lottery : At 1:30 PM on 12.1.2000.
- Mohammed Bayazid
Executive Engineer (RHD)
Gazipur Road Division
Gazipur

DFP-28184-20/12/99
G-2147

Government of the People's Republic of Bangladesh

Office of the Executive Engineer
Local Government Engineering Department
Rangpur

Memo No. LGED/XEN/Rangpur/4460

Date: 5-12-99

Notice Inviting Tender

No 22/1999-2000

Sealed tenders are hereby invited in Bangladesh Form No 2911 for implementation of the following scheme under Third Rural Infrastructure Development Project (RDP-21) of Local Government Engineering Department from Pre-qualified Contractor/Firms under Rural Development Project-21 of LGED for the FY 1999-2000. Tender documents could be purchased from the office of the a) Divisional Commissioner, Rajshahi. b) Project Director, RDP-21, LGED Bhaban, Agargaon, Sher-E-Bangla Nagar, Dhaka-1207 c) Deputy Commissioner, Rangpur d) Deputy Project Director, Regional Office, Rangpur/Mymensingh e) Executive Engineer LGED, District, Rangpur/Nilphamari/Gaibandha/Kurigram/Lalmonirhat/Dinajpur/Thakurgaon/Panchagarh/Mymensingh/Jamalpur/Sherpur/Netrokona/Kishoreganj f) Thana Engineer, Concerned Thana, District-Rangpur up to 29-12-99 during office hours. Tender will be received up to 1:00 PM on 30-12-99 and will be opened 1:30 PM on the same day in presence of the tenderers or their authorized representative (if they are intended to be present) in the offices mentioned above.

Terms & Conditions:

- Tender may be submitted earlier directly or by Registered with AD in all offices mentioned. In case of tender to be submitted by mail, must be arrived in the offices before the last time and date.
- Earnest money @ 2.50% (two point five zero per cent) of the quoted amount must be submitted along with the tender documents in the form of BD/CD from any scheduled bank in favour of Executive Engineer, LGED, Rangpur. Earnest money to be submitted with tender from unauthorized & unscheduled bank will be summarily rejected.
- Tenderer must submit a realistic work plan showing all the items of work and time to be required.
- All the tenderer must enclose the attested photocopy of pre-qualified licence, TIN & VAT registration certificate along with the tender, otherwise the tender will be summarily rejected. Successful tenderer have to submit their original licence, TIN & VAT Registration Certificates during submitting the formal tenders which will be returned after issuance of work order.
- The tenderer shall quote the rate against each item of works mentioned in the schedule of items both in figure & in words. Overwriting, use of fluids or erasing by any means will not be accepted.
- The tenderer must submit detail analysis of every items of works quoted by him/them in the tender schedule. Tender without analysis, photocopy, carbon copy of analysis overwriting, use of fluid or erasing by any means will not be accepted.
- VAT & Income tax will be deducted from the bill of the contractor as per rule of National Board of Revenue on the gross amount of bill. In the rate analysis, the accurate percentage of VAT & IT must be included by the contractor with detailed breakup. The tenderer must put signature on all pages of tender documents.
- The tenderer must include the cost of tests mentioned in the tender schedule in the rate and should be shown in the analysis of items.
- The cost of mobilization, materials, equipments, temporary shed at site etc must be considered during the quoting of rate of items. No separate item will be entertained for such nature of works.
- No separate rate should be quoted for shoring, dewatering, ring bund and artificial island but cost of the same should be considered during quoting the rate of earthwork.
- No additional work will be allowed without prior approval or written permission from the competent authority. Contractor will be solely responsible for such type of additional works.
- The successful tenderer must start the work within 10 days from the date of issuance of work order. If the contractor fails to start work within 10 (ten) days, necessary action will be taken for cancellation of work order.
- Any case of subletting or syndicating by any contractor/firms will cause the cancellation of tender or pre-qualification or both.
- This tender notice is precise, other detailed information regarding tender bid in question could be collected from the office of the undersigned during office hour.
- Work order to be issued in favour of successful tenderer after collection of 10% local Govt contribution.
- Payment will be made to the contractor after getting certification from supervising consultant.
- The authority reserves the right to accept or reject any tender or all the tenders without showing any reason thereof.

| Group code | Name of the scheme | Price of tender schedule | Work completion time | Eligibility of contractor |
|---------------|--|--------------------------|----------------------|---|
| 990045/GC/RAN | Improvement of Barabala Growth Center under Mithapukur thana | 1000.00 | 120 days | All classes of contractors enlisted pre-qualified under RDP-21. |

DFP-27977-15/12
G-2141

Executive Engineer
LGED, Rangpur