

India aims to corporatise agriculture sector

New policy for fighting globalisation challenges soon

BOMBAY, Feb 15: India is airing a mothballed national agriculture policy that seeks to corporatise the sector and prepare it for the challenges arising from economic liberalisation, officials said today, reports AFP.

"A fresh draft of the national agricultural policy is being finalised and we plan to introduce it in the budget session of parliament (later this month)," federal agriculture commissioner C K Hazra told a seminar in Bombay.

Hazra said the policy would target the "vast untapped potential" of Indian agriculture, strengthen rural infrastructure and accelerate the growth of agro business. Although India leads the world in the produc-

tion of a number of agricultural commodities, Hazra said its overall productivity was among the lowest.

"Our productivity ratings range between 30th and 156th for agricultural commodities. There are wide disparities in productivity between different regions of the country even though our foodgrain production crossed a record 200 million tonnes in 1998-99."

Hazra said the government was also concerned about poor fertiliser usage, inadequate mechanisation and subsistence farming that characterises most of Indian agriculture.

Nearly 60 per cent of India's population is directly employed in agriculture, which contributes about 24 per cent of the

gross domestic product. Less than three per cent of agricultural produce undergoes processing, while 37 per cent of vegetables and fruits are lost in post-harvest handling.

"Of late, foodgrain production has been slowing down. If this is not reversed we will lack the ability to feed our rising population," Hazra said, adding that domestic produce was uncompetitive with imported products.

Domestic wheat costs 50 per cent more than imported Australian varieties.

We need annual agricultural growth of between four and five per cent if the economy is to grow more than seven per cent, as we are part of the World Trade Organisation, we have to

pay heed to global health and safety standards for our agricultural exports," Hazra said.

K A Chauhan, Managing Director of Tata Industries Ltd, said Indian agriculture needed to be corporatised in terms of cost structure and value additions to meet the challenges of globalisation.

"We have to make our agricultural sector more efficient, greatly improve our post-harvest facilities and bring in the efficiencies of the corporate structure," he said.

India has 170 million hectares (420 million acres) of cultivable land and produces 96 billion tonnes of agricultural products, while China has 96 million hectares and produces 165 billion tonnes.

India's software industry grows 52pc

NEW DELHI, Feb 15: India's software industry grew by 52 per cent to five billion dollars last year, underlining its increasing role as a major motor for economic growth, an industry body said today, reports AFP.

The National Association of Software and Service Companies (NASSCOM), a 520-member grouping, said it had carried out a survey that predicted a further 60 per cent growth in the current calendar year to eight billion dollars.

"The 60 per cent projected growth during the year 2000 proves the point that the Indian software industry is not merely dependent on Y2K revenues," NASSCOM president Dewang Mehta said.

India's flourishing software industry earned a hefty 2.3 billion dollars by carrying out Y2K related repair jobs in the four-year period up to end 1999.

The survey said there was a slowdown in Y2K orders in the last two quarters of 1999.

The slowdown was more than offset by new opportunities created in growth areas such as electronic commerce and IT-enabled services, which accounted for 16 per cent of the revenues generated in second half of 1999, it said.

Of the five billion dollars earned by the industry, export earnings contributed 3.5 billion dollars while domestic earnings roped in 1.5 billion.



A delegation of Bangladeshiyo Cha Sangsad led by its Chairman A Q I Chowdhury met Finance Minister S A M S Kibria on Sunday. — Cha Sangsad photo

Japan economy improves for fifth straight month

Recession-weary consumers still hesitant to spend

TOKYO, Feb 15: Japan's economy has improved modestly for the last five months but recession-weary consumers remain hesitant to spend, the government said Tuesday, reports AP.

The assessment came in a monthly report by the Economic Planning Agency. Its pronouncements are closely watched by businesses and analysts as key indicators of the government's thinking on the state of the world's second-largest economy.

The cautiously optimistic verdict delivered in the February report was identical to the agency's previous four monthly assessments.

The EPA said the economy got a lift from an emergency public spending programme approved last year by the administration of Prime Minister Keizo Obuchi.

In December, Obuchi's Cabinet adopted a supplementary budget worth 18 trillion yen (165.3 billion yen) to help ensure Japan achieves its 6.6 per cent growth target for the fiscal year ending in March.

The agency also pointed to rising orders for basic machinery as an encouraging trend. Orders rose 16.1 per cent in De-

cember, suggesting private-sector investment may be picking up.

On the downside, the report said that consumers cut back purchases as companies slashed winter bonuses. Household spending dropped 4 per cent in December from the previous year, as bonuses and other extraordinary income plummeted 5 per cent.

Private consumption accounts for 60 per cent of Japan's gross domestic product. Most economists agree the country won't be able to sustain growth until individuals feel confident enough to open their wallets.

Despite the decline in spending late last year, EPA spokesman Takashi Omori said that consumer gloom may now be lifting.

"Based on what I've heard, spending from January onward has been comparatively good," he told reporters.

Japan has been struggling to emerge from its worst economic downturn in over 50 years. The economy finally started growing again, but then shrank in the July-September quarter last year.

Late last month, EPA chief Taichi Sakaiya said the economy probably also contracted

during the October-December quarter. If so, that would mean a return to recession.

But he also said the government still expects to hit its growth target for the full fiscal year.

In another monthly report published Tuesday, Japan's central bank painted a similar picture of economy making gradual progress toward recovery.

The Bank of Japan's February report said that "the economic environment surrounding private demand is gradually improving" but added that "clear signs of a self-sustained recovery in private demand have not been observed yet."

A Reuter report says: The Bank of Japan (BOJ) cautiously upgraded its assessment of the economy today as corporate prospects improved, but the central bank said it would keep pushing interest rates to nearly zero.

The BOJ repeated in its latest monthly report that the world's second-largest economy "has recently started to improve, but deleted a subsequent statement that the economy had merely hit bottom."

BOJ Governor Masaru Hayami told cabinet ministers, however, that the bank would

"continue our bold monetary easing until deflation concerns are wiped away," a pledge he has stuck with for more than a year.

The bank is nevertheless clearly chafing at what it views as an abnormal policy of guiding short-term rates essentially to zero.

With the economy showing signs of improvement, markets are eagerly dissecting BOJ statement for clues as to when the bank might scrap the policy.

But economists and former BOJ officials generally say the economy, which dipped into recession in the second-half of 1999 after a robust first half, is too fragile for the BOJ to raise rates until late this year at the earliest and probably not until 2001.

With the economy showing signs of improvement, markets are eagerly dissecting BOJ statement for clues as to when the bank might scrap the policy.

"Over the mid-term we don't need to be pessimistic, but in the shorter term we have to be very careful, the government should not take a too optimistic view of the economy," he said in a speech to industrialists and diplomats.

An AFP report says: Japan can face up to its economic future with confidence but the shorter-term outlook is darker, vice Finance Minister Haruhiko Kuroda said today.

"Over the mid-term we don't need to be pessimistic, but in the shorter term we have to be very careful, the government should not take a too optimistic view of the economy," he said in a speech to industrialists and diplomats.

Bankruptcies up 44pc in Japan

TOKYO, Feb 15: The number of Japanese firms going bankrupt in January jumped 43.7 per cent from a year earlier to 1,441, with smaller companies particularly hard hit, a private research agency said today, reports AFP.

It was the third month in a row that the number of failures has gone up year-on-year, Telkuo Databank said.

Bankruptcies appear to be increasing sharply again as a number of small-and mid-sized firms are exposed to severe conditions by their banks and business partners," the agency said in a report.

Many banks are withdrawing credit as they, and other sectors of the Japanese economy, struggle to shape up after an economic slump stretching back over the past decade.

But resulting liabilities dropped 19.7 per cent from last year to 604 billion yen (5.6 billion dollars). While the highest in three months, the drop in the figure reflected the lack of major bankruptcies in January.

Failures caused by poor sales numbered 1,051, accounting for 72.9 per cent of the total.

The business climate remains severe for small and mid-sized companies," the agency noted.

Mercantile Bank opens branches in Rajshahi, Naogaon

Mercantile Bank Limited has opened two branches in the country's northern region.

The bank's 7th branch was opened at Naogaon while its 8th branch at Rajshahi, says a press release.

The Commerce Minister Md Abdul Jalil inaugurated both the branches, recently.

Speaking on the occasion, the commerce minister praised various attractive projects of the bank.

The acting chairman of the bank, Towfiqul Rahman Chowdhury, the chief adviser, Lutfur Rahman Sarker, and Managing Director M Tahiruddin also spoke on the occasion.

their first day of trading since midday on Friday, before the company fully disclosed its intention to bid for Cable and Wireless HKT.

While (Pacific Century) CyberWorks is up a lot, Hutchison and Cheung Kong are coming down quite heavily again," said Alan Hutchison, head of research at Pacific Challenge Securities.

A recent spate of corporate failures spooked investors in Japan and rekindled worries about credit risks, traders said. Tokyo's Nikkei average N225 closed down 188.63 points at 19,367.83.

Hong Kong stocks were down 2.5 per cent as investors sold blue-chip telecom and technology stocks, but Pacific CyberWorks (PCCW) shares surged on

Monday appeared to have little impact on Asian investor optimism, perhaps because the Dow remained well off its January high.

The Dow fell 218.42 points to 10,425.21 on Friday, losing almost five per cent for the week, and was down more than 10 per cent from its closing high of 11,722.98 on January 14.

Singapore's main index STI also ignored Monday share gains in the United States and jumped on the blue-chip selling bandwagon, despite strong corporate results. The index was down 1.14 per cent.

The corporate results have been very good. Look at Kep-Bank KPBK, but the shares are just heading south," a trader with a Singapore brokerage said.

Dr Mohammed Farashuddin, Governor of Bangladesh Bank, speaks as the chief guest at the concluding session of a two-day zonal and corporate branch heads' conference 2000 of Agrani Bank. M A Yousoof, Managing Director of Agrani Bank, presided over the conference. The General Managers of the bank were present. — Agrani Bank photo

ROK invites top auto firms to bid for Daewoo Motors

SEOUL, Feb 15: South Korea has formally invited the world's two biggest auto makers, General Motors (GM) and Ford Motor Co, to bid for crippled Daewoo Motor Co, officials said today, reports AFP.

The Corporate Restructuring Committee, which is overseeing much-vaunted attempts to sell bankrupt Daewoo Motor, has sent out invitation letters to less than 10 firms, including US giants and South Korea's Hyundai Motor Co.

"Invitations have been sent to less than 10 firms including GM, Ford and Hyundai," said Kim Jong-Do, a senior manager in charge of the auction proceedings.

The move means that GM and Ford are now officially locked in a race to acquire the bankrupt South Korean firm as part of the battle to boost their Asian presence and to dominate the global market.

Reports said a total of six car makers, five of them foreign, had been invited to bid in the limited international auction but the committee declined to comment.

But earlier reports said the other three firms expected to be allowed to bid for Daewoo, which is saddled with around 16 billion dollars in debt, were DaimlerChrysler, Fiat and Volkswagen.

The committee said letters

had been sent out Monday inviting potential acquirers to submit their bids by February 21, adding that it would provide them with a chance to conduct a "limited" due diligence on Daewoo Motor.

The committee has formally initiated the sales process for Daewoo Motor's domestic and foreign assets and Ssangyong Motor Co by sending out invitation letters to potential acquirers on February 14," it said in a statement.

"The direct and indirect interests in this transaction expressed by the potential acquirers thus far have also been considered in selecting the invitees," it added, avoiding mention of specific auto makers.

The comments came just hours after Ford announced from its Detroit headquarters that it would join the bidding war for Daewoo as the US firm rushed to expand its Asian presence.

GM, the largest car maker in the world, announced late last year it had bid six billion dollars for Daewoo.

Creditors have said that DaimlerChrysler was interested only in Ssangyong Motor, which began to be dismantled in August 1999 to avert the world's biggest corporate bankruptcy.

General Motors recently said

Government of Bangladesh Office of the Executive Engineer Faridpur PWD Division

Tender No. 90 of 1999-2000
Memo No: 196

Dated: 3.2.2000/21.10.1406 Bang

Notice Inviting Tenders

Sealed tenders are hereby invited in Bangladesh Form No 2911, from the approved special Class-I/Class-II Bldg. contractors of PWD, Class-II Bldg. contractors of PWD Zone, Khulna & Class-III Bldg. contractors of PWD Circle, Jessor.

The governor of the southern Japanese island of Okinawa, where the summit will be held, last week joined other Japanese advocates of China's participation in the summit of leading rich nations and Russia, perhaps as an observer.

"It's a matter for the host nation to decide. We won't oppose the idea," Kyodo news agency quoted Foley as telling Prime Minister Keizo Obuchi's coalition partner Takeo Kaneko.

Kaneko is head of the New Komeito Party, which with Obuchi's Liberal Democrats and another smaller party make up the ruling coalition. A US embassy spokesman had no comment on the report.

Obuchi, who has eagerly been soliciting other Asian countries' views on the G8 summit agenda, told reporters later on Tuesday that he welcomed Washington's move to give Tokyo a "free hand" as summit host, Jiji news agency reported.

Japan has invited Chinese Prime Minister Zhu Rongji to visit Japan this year, hopefully ahead of the summit. But it has issued no formal invitation to China to take part in the G8 leaders' gathering.

Details may be seen from the office of the undersigned during office hours.

Md Syedur Rahman
Executive Engineer
Faridpur PWD Division
Phone No 3257

DEP-3178-13/2
G-277

Bangladesh Inland Water Transport Authority Office of the Executive Engineer BIWTA, Dhaka Division, Dhaka

Tender Notice

Tenders are hereby invited from experienced/reputed companies for installation of generator, maintenance and transmission of electrical works and firms/establishment experienced in concerned work for the undermentioned work. Tenders will be submitted in the tender box kept at the office of the undersigned till 1200 Noon on 24-02-2000 and will be opened the same day at 1215 PM in presence of the tenderers (if anyone remains present). Tender of the said work and other related papers will be available by depositing Taka 400/- (four hundred) only in cash (non-refundable) from Accounts Section, BIWTA, Sadarghat, Dhaka with the permission of the undersigned everyday during office hours on all working days except the day of opening tender.

Earnest money as stated below in the forms of Bank Draft/Pay-Order from any scheduled bank will have to be submitted with the tender. If anybody fails to do so, then tender will be treated as rejected.

The authority reserves absolute power to accept or reject any tender without assigning any reason.

Serial no	Name of work	Estimated expenditure	Earnest money	Time limit for work

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