

# Indian president calls for stepping up reforms

# Asian recovery on track: IMF

NEW DELHI, Feb 23: India will continue its economic reforms, but must step up its pace to remove social and regional imbalances in development, the president said Wednesday, reports AP.

Although President K R Narayanan is the constitutional figurehead, his speech to parliament on the opening day of the budget session of parliament reflects the government's views.

It was a broad sweep of the government's policies, ranging from investment in infrastructure and agriculture to nuclear disarmament and combating terrorism in Jammu-Kashmir state.

The right-wing coalition led by the Bharatiya Janata Party began a second round of economic changes to scrap old rules, speed up foreign investment and reduce the fiscal

deficit.

Changes introduced during the last one year have buoyed the economy, he said.

He echoed an earlier prediction by the finance minister that economic growth would be around 6 per cent in the fiscal year that ends in March. Inflation has been under control, foreign exchange reserves are more than \$32 billion and the stock market is on a bull run due to a revival in the industrial sector, he said.

"To build on these clear economic strengths, we must seize the opportunity to deepen and accelerate the reform process," Narayanan said.

Narayanan said the government will expand its economic changes to cover key infrastructure areas such as power, roads, railways, ports, aviation and telecommunica-

tion. At the same time, he cautioned that fiscal deficit is mounting. "This is undoubtedly the most challenging macro-economic management problem faced by us," he said. This includes reducing the size of the government staff, cutting government spending, recovering loans and selling off government factories.

"Unless India's gross domestic product grows at a brisk rate of 7 to 8 per cent a year, there is no way we can banish poverty and underdevelopment. Higher growth alone will ensure that we can mobilise larger resources for the social sector," Narayanan said.

Referring to the recent military conflict in the Himalayan state of Jammu-Kashmir, Narayanan said Pakistan has targeted Indian security forces

in recent months. India and Pakistan have fought three wars, two of them over Kashmir, where an Islamic insurgency has raged since 1989, India says. Pakistan is training and arming the guerrillas, Pakistan says. It only gives them moral support.

Narayanan said India has "irrefutable evidence" about the Pakistani origins of the hijacking of an Indian Airlines aircraft in December when it took off from Nepal's capital, Kathmandu.

"The growing challenge posed by non-conventional threats, in particular by terrorism to global security, calls for urgent international cooperation," Narayanan said.

"We call for the early adoption and implementation of a comprehensive convention on international terrorism," he said.

DILI, East Timor, Feb 23: Asia remains on the road to economic recovery even if the crisis that has so damaged much of the region is not quite finished yet, a top IMF official said, reports Reuters.

"It is (on track) and if somebody were to ask whether the crisis is over or not, it's not yet over but look at (South) Korea for instance. Their speed of economic growth is about 10 per cent at the moment and is remarkable," IMF deputy managing director Shigetsugu Sugisaki told Reuters in an interview.

He was speaking on Tuesday night in the East Timor capital Dili, where he was on a two-day official visit.

Sugisaki said both South Korea and Thailand were working on further financial restructuring and corporate debt issues.

Indonesia, worst hit of all in the crisis, continued to lag the others because of social and political problems but was also on the mend.

"Look at the inflation rate (in Indonesia). It's very stable and now the economic growth is positive. So with additional efforts on the part of the government, particularly on the financial and corporate restructuring, we can reasonably expect their recovery to continue."

Commenting on Tuesday's announcement by the Indonesian government that it would raise fuel prices, Sugisaki said it had been a difficult decision.

"World oil prices are increasing... so the cost of (fuel subsidies) is getting higher. If the government doesn't take any action, that will be a cost to the government budget. In the end it has to be borne by the tax money, in other words, the people at large," he said.

The question is whether that burden should be borne by the general public or should be borne by those who consume energy. So with the right social

safety net, it's better to increase the oil prices and then that burden is paid by the consumers of oil."

Asked to comment on who might replace outgoing managing director Michel Camdessus, Sugisaki said he did not know who his boss would be.

"I hope it (the decision) will come as soon as possible because we need a new managing director... that will be in the interest of the world economy," he said.

Meanwhile, aid to pour into ravaged East Timor could end up damaging the economy if it is not kept under control, he warned.

Last December, the international community pledged \$520 million to help East Timor recover from the wave of Indonesian military-backed destruction after the impoverished territory voted to break from 23 years of Jakarta rule.

"That is huge money and if it is properly used will have an enormous impact on the economy, so the question is, how to effectively use those resources."

"If that money comes in at once then there will obviously be inflation and we don't want to have such disorder in the economy."

The former Portuguese colony, now under United Nations control as it moves towards independence for the first time in over three centuries, will remain reliant on aid for some time, he said.

One of the first steps to get domestic money moving will be to impose some kind of tax, he said.

On a two-day visit to review the IMF's operation in East Timor, Sugisaki described the destruction caused by pro-Jakarta militias after an independence vote last August as "enormous" and said the Fund would move faster than it had in other post-conflict situations.



Matiur Rahman, Chairman and Managing Director of Uttara Group and Vice-Chairman of Hallmark Pharmaceuticals Ltd, addresses the annual sales conference '99 of Hallmark Pharmaceuticals Ltd. Mujibur Rahman, Director of Uttara Group and Hallmark Pharmaceuticals Ltd, and S M Mahfuzur Rahman, Director (Operations) of Hallmark Pharmaceuticals Ltd, are also seen. — Hallmark photo

## Hallmark Pharma annual sales confce held

The annual sales conference 1999 of Hallmark Pharmaceuticals Ltd, an enterprise of Uttara Group, was held at BARD in Comilla recently, says a press release.

The conference was attended by all the members of its sales team and addressed, among others, by Matiar Rahman, Chairman and Managing Director of Uttara Group and Vice-Chairman of Hallmark Pharmaceuticals Ltd, Mujibur Rahman, Director of Uttara Group and Hallmark Pharmaceuticals Ltd, and S M Mahfuzur Rahman, Director (Operations) of Hallmark Pharmaceuticals Ltd.

## Taiwan tension seen hurting US-China trade ties

No breakthrough in Beijing-Brussels talks on WTO

WASHINGTON, Feb 23: US lawmakers warned China yesterday that threats against Taiwan could undermine congressional support for a market-opening agreement with Beijing, already under fire from American labour unions, religious conservatives and other free-trade critics, reports Reuters.

China, whose 2.5 million-strong People's Liberation Army is the world's largest, gave Taiwan an ultimatum on Monday to begin talks on reunification or face an attack.

The pronouncement outraged many US lawmakers, staunch supporters of Taiwan.

Senate leaders warned that the sabre-rattling could fuel opposition in Congress to a landmark US-China trade pact, hammered out last year, that would open vast Chinese markets and clear the way for Beijing to join the World Trade Organisation (WTO), which sets global trade rules.

"I think it's bad judgment to put out that statement at this time," said Senate Republican leader Trent Lott of Mississippi, though he doubted it would scuttle the trade agreement, slated for congressional debate later this year.

"I'm very concerned about

the implications on US-Chinese Relations," added Senate Democratic leader Tom Daschle of South Dakota, another supporter of the trade agreement.

Democratic Sen. John Kerry of Massachusetts said tensions with Taiwan could spark a backlash against China in Congress. "Many of us are surprised by the bluntness and inappropriateness of this particular challenge," he said. "I think it is a most inadvisable and unfortunate statement."

Beijing regards Taiwan as a renegade province and has threatened to invade the island if it declares independence.

## Higher oil prices helping Iraq earn faster

But civilians still suffer

BAGHDAD, Feb 23: A handful of protein biscuits seems like too little, too late for Zakia Abdulrahman's family.

Nonetheless, the biscuits are a windfall for the pregnant woman with five children whose family's income in less than 1,500 dinars (\$1 per day) and they are possible only because of a rise in world oil prices. The costly oil means Iraq is earning more money under the UN oil-for-food programme designed to let it skirt trade sanctions for the good of its people, reports AP.

Recently, that has meant a small improvement for Abdulrahman and nearly 5,000 other malnourished mothers and children in the low-income Baghdad neighbourhood of Mashhada: six high protein biscuits a month per person. That is in addition to free rations of rice, flour, legumes, sugar and tea distributed under an earlier phase of the oil-for-food project.

But Abdulrahman and her five children are still in dire need. Abdulrahman's husband earns his tiny income selling groceries from a cart. Her 11-month-old boy weighed six kilograms (13 pounds) — the norm for that age is about nine

kilograms (20 pounds) — when a community care volunteer put him on an electronic scale.

In the past three months, regular power cuts in Abdulrahman's neighbourhood have lasted as long as 16 hours a day. Broken pipes inundate some streets with sewage. Children scour garbage heaps in search of used tin cans and bottled they can sell to recyclers.

While the increase has boosted Iraq's revenues, it isn't doing much to help the country's poor because much of the money is either taken away or blocked by the United Nations, Iraqi officials say.



M A Yousoof, Managing Director of Agrani Bank, speaks as chief guest at the inauguration of the Zonal/Branch Heads' Conference 2000 with participants from the Chittagong metropolitan area and greater hill tracts districts recently. S M Abul Kalam, Member of the Board of Directors, and K M Jahangir, General Manager of Chittagong Circle, are also seen. — Agrani Bank photo

## Road Division, Rangpur

Sealed tenders in Bangladesh Form No. 2911 are hereby invited.

1. Tender Notice No : 10, EE/RD/1999-2000.
2. Name of work : Repairing & premixed bituminous seal coat work at 7th (P), 8th (P), 9th (P) & 10th (P) KM of Rangpur-Pirgacha-Sundarganj-Gaibandha road (with link to Haragacha) under Road Division, Rangpur during the year 1999-2000.
3. Estimated cost : Tk. 8,10,292/-
4. Earnest money : Tk. 16,206/-
5. Time allowed for completion of work : 25 (twenty-five) days.
6. Eligibility of contractor : "A to D" class contractor under general category of RHD.
7. Name of offices : i) Executive Engineer (RHD), Road Division, Rangpur/Kurigram/Bogra/Gaibandha/Lalmohirhat/Jaypurhat/Planning Division (P&D), Dhaka. ii) Sub-Divisional Engineer (RHD), Road Sub-Division-III, Rangpur.
8. Name of offices where tender will be received : i) Addl. Chief Engineer (RHD), Rangpur Zone, Rangpur. ii) Superintending Engineer (RHD), Road Circle, Rangpur/Monitoring & Evaluation Circle, Dhaka. iii) Executive Engineer (RHD), Road Division, Rangpur/Kurigram/Bogra/Gaibandha/Lalmohirhat/Jaypurhat.
9. Last date of selling tender : On 29-2-2000 up to 5:00 PM.
10. Last date & time of receiving tender : On 01-03-2000 up to 12:30 PM.
11. Date & time for opening tender box : On 01-03-2000 up to 12:45 PM.
12. Date & time for opening of all tenders by this office : At 12:00 Noon on 6-3-2000.
13. Date & time for : At 11:00 AM on 9-3-2000. (if required).

Executive Engineer (RHD)  
Road Division, Rangpur.

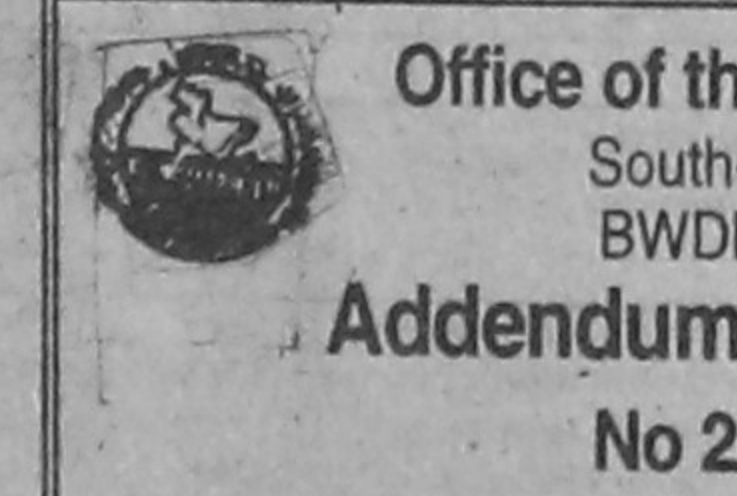
## WB may consider aid for distribution units of PDB

The World Bank may consider providing project and technical assistance to the distribution units of Bangladesh Power Development Board (PDB), reports UNB.

World Bank Country Director Frederick Temple said this on Tuesday during a meeting with PDB Chairman Kamrul Islam Siddique.

Temple said the probable World Bank assistance would only be targeted to realise more revenue through efficient management of the distribution units.

PDB members and Bank officials Bashirul Haq and Arun Banerjee were present in the meeting held at PDB boardroom.



Office of the Chief Engineer  
South-Eastern Zone  
BWDB, Chittagong  
Addendum No 2 for Tender  
No 2/1999-2000

- It is notified for information and necessary action to all concern that, the following amendments have been made to Tender No 2/1999-2000 as circulated vide this Office Memo No CE/SEZ/T-4/164 (100) dated 20-1-2000 due to unavoidable circumstances.
1. Tender notice : a) Civil work Tk item no. 7 2,35,66,860.90 instead of Tk 2,84,69,657.00.
  2. That the receiving date of the bid documents has been shifted to 23-2-2000, 24-2-2000 and 27-2-2000 (instead of 20-2-2000, 21-2-2000 and 23-2-2000) up to 12:00 Noon.
  3. The complete collection of bid documents will be available from the banks as indicated earlier vide this Office No CE/SEZ/T-4/162 (100) dated 20-1-2000 during office hours up to 24-2-2000 instead of 22-2-2000.
  4. The qualification/technical envelopes will be opened on 28-2-2000 at 12:30 PM in the office of the undersigned in presence of bidders who wish to be present.
  5. All other terms and conditions of the bids will remain unchanged.
  6. This addendum will be treated as a part of the bid document.

Rezaur Rahman Khan  
Addl Chief Engineer  
South-Eastern Zone, BWDB  
Chittagong.

## Inflation slips in February

## WB calls for pushing reforms in Vietnam

HANOI, Feb 23: World Bank president James Wolfensohn was to meet Vietnamese leaders today to discuss way to speed free-market reform and reduce poverty, reports Reuters.

Wolfensohn was to meet central bank governor Le Due They, Nguyen Tan Dung, the deputy prime minister in charge of the economy, and Prime Minister Phan Van Khai.

On Thursday, he is to see President Tran Due Luong and the powerful head of the ruling Communist Party Le Kha Phieu.

On Tuesday, Wolfensohn visited poor communities in the south of the country where he was told of concerns about lack of employment opportunities outside agriculture.

In Vietnam, the World Bank is pushing what Wolfensohn calls a Comprehensive Development Framework, which stresses a strong partnership between government, civil society, aid donors, the private sector and non-governmental organisations.

He is to sign agreements on three projects covering rural poverty, infrastructure development and business privatisation.

Since resuming lending to Vietnam in November 1993, the World Bank has made commitment of \$2.4 billion in financial assistance and dis-

bursed \$1 billion. Last year, Vietnam received \$318 million in assistance from the institution.

The bank has backed Hanoi's reform agenda in sectors ranging from trade to legal reform to road building and schools.

Meanwhile, another report says: Vietnam's inflation fell 1.2 per cent year-on-year in the month to February 22, official figures showed today, reflecting the continued slump in consumer demand.

Prices rose 1.6 per cent month-on-month, according to the general department of statistics, compared to a 0.4 per cent increase in January.

With inflation virtually flat in 1999, the government's target of containing price rises to less than 6.0 per cent in 2000 should be achievable.

Some economists have noted that there is no fundamental upward pressure on prices as monetary policy is not expansionary, with government cut-backs due to budget constraints and a drop in aggregate demand caused by lower investment levels.

Food prices, which account for the largest portion of a basket of goods and services on which the price index is based, fell 3.4 per cent from February 1999 levels, but rose 2.2 per cent month-on-month.

## Exchange Rates

American Express Bank Ltd foreign exchange rates (indicative) against Taka to clients					
Currency	Selling TT & OD	Selling BC	Buying T.T. Clean	Buying OO Sight Export Bill	Buying OD Transfer
US Dollar	51.2300	51.2700	50.8100	50.6570	50.5850
Pound Ster	82.9158	82.9805	81.6923	81.4463	81.3306
Deutsche Mark	26.7462	26.7670	25.7371	25.6506	25.6232
Swiss Franc	32.2485	32.2737	31.5708	31.4757	31.4310
Japanese Yen	0.4666	0.4669	0.4582	0.4568	0.4561
Dutch Guilder	23.7377	23.7562	22.8421	22.7734	22.7410
Danish Krona	6.9679	6.9733	6.8150	6.7945	6.7848
Australian \$	32.3671	32.3924	31.6062	30.9686	30.9226
Belgian Franc	1.2968	1.2974	1.2478	1.2441	1.2423
Canadian \$	35.4190	35.4466	34.3915	34.2879	34.2392
French Franc	7.9748	7.9810	7.6739	7.6508	7.6399
Hong Kong \$	6.9679	6.9733	6.8150	6.7945	6.7848
Italian Lira	0.0270	0.0270	0.0260	0.0259	0.0259
Norway Krona	6.3177	6.3226	6.2145	6.1958	6.1870
Singapore \$	30.3837	30.4074	29.4193	29.3307	29.2890
Saudi Rial	13.6964	13.7071	13.5111	13.4705	13.4513
UAE Dirham	13.9877	13.9986	13.7962	13.7546	13.7351
Swedish Krona	6.0122	6.0169	5.9371	5.9193	5.9108
Qatar Riyal	14.1141	14.1251	13.9179	13.8790	13.8562
Kuwait Dinar	173.0743	173.096	169.6884	169.266	169.878
Thai Baht	1.3480	1.3490	1.3341	1.3301	1.3282
Euro	52.3110	52.3510	50.3375	50.1859	50.1146

TT OD	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	5.8800	6.1000	6.3250
81.3306	82.9158	GBP	6.1235	6.2376	6.4166
Cash/TC	Cash/TC	EUR	3.4400	3.6275	3.8150

Exchange rates of some Asian currencies against US dollars					
Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
43.605/43.610	51.895/51.90	38.025/38.075	3.7995/3.805	7430/7440	1135/1136

Amex notes on Wednesday's market  
The interbank USD/BDT market was moderately active on Wednesday. The USD/BDT traded between 51.0950 and 51.1050. Interbank call money market was active. Average call rates rang1 between 5.50 and 0.50 per cent.

The euro zoomed to one-month highs against the dollar for the second consecutive trading day amid talk on higher euro zone interest rates and a broad-based retreat in the US currency. Speculation that the European Central Bank could raise rates in March was kept alive after the Bundesbank's monthly report said liquidity conditions in the euro zone remained generous and that growth in Germany, the area's largest economy, accelerated in the fourth quarter. The single currency firmed as far as \$1.0089, nearly 4.5 per cent above the lifetime lows it set only three weeks ago.

The euro rallied to within half a yen of its Tuesday's four-month high of 111.73 and firmed to 2-1/2-week peaks around 62.50 against sterling. Euro also capitalised on the broad retreat of the dollar staged.

The dollar shed more than a yen from its six-month peak of 111.773 set on Tuesday. Volatility in the US stock markets over the last few days was quoted to be a dollar-negative factor. On Tuesday, the Dow Jones industrial average gained 0.83 per cent to end at 10,304.84, after dropping more than 115 points. But the Nasdaq composite closed lower for a second consecutive trading session, shedding 0.67 per cent to 4,382.12.

Sterling fell to its lowest level in more than two weeks against the euro on Wednesday as euro/dollar rose to one month highs. However, the dollar's woes kept the pound within 3/4 of a cent of the three-week highs it had set a day earlier against the US currency. Against the dollar, sterling was at \$1.6116/23, compared with Tuesday's three-week peak of \$1.6191.

At around 1005 GMT, the exchange rates of major currencies against USD were GBP/USD 1.6064/6069, USD/CHF 1.6024/6034, USD/JPY 110.84110/87, EUR/USD 1.0041/1.0046.

## Shipping Intelligence

Chittagong port  
Berth position and performance of vessels as on 23.2.2000

Berth no.	Name of vessels	Cargo	L port	Local agent	Call agent	Arrival	Leaving
J/1	Hangfu	C Clink	Sing	PSAL	RSL	18/2	2/3
J/2	Sea Belis	C Clink	kanj	MBL	18/2	3/3	
J/4	Martina	G Yang	SMSL	13/2	26/2		
J/11	Al Pina	Wheat/P	Ros	Seagility	12/2	1/3	
J/12	Xpress Nilgiri	Cont	P Kel	RSL	21/2	25/3	
J/13	Chu Hong	Cont	Mala	QCSL	21/2	25/2	
CCT/1	Ever Brisk	Cont	Sing	QCSL	17/2	23/2	
CCT/2	Kota Singa	Cont	Sing	Pil(BD)	22/2	25/2	
CCT/3	DAFA	Cont	Sing	RSL	19/2	24/2	
RM/14	Ocean Pride	ureal(G)	Sing	PSAL	11/2	24/2	
CJ/1	Al Shams	C Clink	Karab	RML	14/2	24/3	
GSJ	Sea Bird-1	Wheat/G/Idle	Mong	Benam	17/1	25/2	
TSP	Clover Trust	R Phos	Jedd	Seacom	11/2	28/2	
RM/4	Ventura	C/O	Durb	Rainbow	14/2	23/2	
DQ/1	Banglar Shourabh	C Oil	BSC	R/A	23/2		
RM/8	Banglar Urmi	Repair	Mong	BSC	R/A	25/2	
RM/9	Banglar Robi	Repair	Mong	BSC	R/A	28/2	

Vessels due at outer anchorage

Name of vessels	Date of arrival	L port	Local agent	Cargo/Loading	Call agent	Port
QC Teal (Cont) 13/2	23/2	P Kel	QCSL	Cont	Sing	Sing
Banga Birol (Cont) 13/2	23/2	P Kel	BD Ship	Cont	Sing	Sing
Tug Ocean echo	23/2	Sing	OTL	-	-	-
Dea Champion	23/2	Sing	Arafeen	P Equip	-	-
Power	23/2	-	PSAL	C. Clink	-	-
Thank God (Diamond)	24/2	-	PSAL	-	C Clink	-
Orient Star	24/2	Yang	Angelle	Tice (P) / GI	-	-
Dan Yang	23/2	Sing	BNSC	Ureal (G)	-	-
Jaami	25/2	Yang	Cross	GI(Pulse & Log)	-	-
OSG Alpha (Cont) 14/2	24/2	P Kel	RSL	Cont	Sing	Sing
Kota Berjaya (Cont) 14/2	24/2	Sing	Pil (BD)	Cont	Sing	Sing
Jaya Mars (Cont) 16/2	25/2	CBO	Baridhi	Cont	Col	Col
QC Pintal (Cont) 11/2	25/2	Sing	QCSL	Cont	Sing	Sing
Banglar Kakoll	24/2	Mong	BSC	Repair	-	-
Marymour	25/2	Lang	BRL	Cement	-	-
Oreint Lilac	25/2	Sing	Everrett	GI(St. Coll)	-	-
Trias	25/2	-	Jaycee	Cement	-	-
Triumptionskong	25/2	Sing	RML	GI(St. Coll)	-	-
Mu Du Bong	25/2	-	PSAL	Cement	-	-
Delos-1	26/2	-	PSAL	Cement	-	-
Teressa Everett (48) 14/2	27/2	-	Everrett	GI (S T. Coll)	-	-
Achiever (Cont) 20/2	27/2	Sing	RSL	Cont	Sing	Sing
Jong balaam (Cont) 22/2	27/2	Sing	Nol	Cont	Sing	Sing
Paraskevi MY	28/2	Total	-	Wheat(P	-	-
Banglar Shikha (Cont) 18/2	28/2	Sing	BSC	Cont	Sing	Sing
Jin Cheng	29/2	-	BDSHIP	G	-	-
Tiger River (Cont) 22/2	3/3	Sing	NOL	Cont	Sing	Sing
Banga Biraj (Cont) 22/2	4/3	-	BDSHIP	Cont	Sing	Sing
Xpress Makalu (Cont) 16/2	7/3	Sing	RSL	Cont	Sing	Sing