

Indian industry looks for more liberalisation in budget

Sinha says it will be a tough one

BOMBAY, Feb 24: When Indian Finance Minister Yashwant Sinha unveils his budget next week, industry leaders will be looking for concrete measures to accelerate pro-market reforms and rationalise unbalanced trade regimes, says AFP.

Sinha has warned the budget will be "tough," in order to rein in a rising fiscal deficit.

Amit Choudhury, managing director of Godrej Properties and Investments Ltd., said the budget should inject "liberal doses of liberalisation" into the economy, and avoid half-hearted measures.

"We are not liberalising fast enough and continue to do things in fits and starts," said Choudhury, urging Sinha to allow foreign direct investment into the housing sector, which is worth an estimated 400 billion rupees (9.3 billion dollars).

He also reiterated industry appeals for taxes to be levied on wealthy farmers, who are gen-

erally exempt from all income and sales tax, while also benefiting from substantial subsidies.

"Rich farmers should pay taxes, why should only urban India be paying taxes?" Choudhury said.

P Ramkrishnan, vice-president of textile giant Grasim Industries Ltd., was also keen to see the tax burden spread more evenly.

"Farmers get free power, water, highly subsidised fertilizers, seeds. They are not bound by any labour laws, they do not pay income or sales tax," he complained. India produced a record 200 million tonnes of foodgrains last year and Ramkrishnan said the government could make a start by levying a 10 per cent income tax on farmers owning more than 50 acres (20 hectares) of land.

Ramkrishnan also called for a more pro-active anti-dumping policy, saying the current pro-

cedure meant that filing an anti-dumping proposal through all the relevant ministries took at least six months.

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Kalantri echoed Shah's suggestion for rationalising domestic taxes on goods.

"We often come across cases where raw materials or components are taxed more than the finished product," Kalantri said.

"This anomaly must be removed. Multiple tax rates in various states are hindering domestic industry and trade and open the door to cheaper imports."

must stop. We also need simpler rules to encourage more venture capital funds," he said.

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4-day negotiation wraps up EU-China talks make no breakthrough

BELJING, Feb 24: European and Chinese trade negotiators on Thursday ended four days of talks on China's entry to the World Trade Organisation without making a breakthrough, reports AP.

No date has been set yet for new talks, the European Union's Beijing office said in a press release.

While the EU team in Beijing remained silent about the talks, EU foreign affairs chief Chris Patten told reporters in Portugal on Wednesday the two sides were unlikely to reach agreement soon.

"There are tough issues that have to be agreed. As far as we are concerned, speed isn't the problem; it's substance," he said.

Patten said Pascal Lamy, the EU commissioner for foreign trade, would travel to join the talks in China if progress was made.

"But frankly we will all want to be convinced that it's worth the fare, and that I think will depend on the Chinese recognising the legitimacy of some of our anxieties," he said.

The EU delegation, led by European Commission trade official Hans-Friedrich Beseler, has been meeting a Chinese team headed by Vice Foreign Trade Minister Long Yongtu since Monday in an effort to conclude China's 14-year quest to join the WTO.

"The gap has narrowed, but we are not there yet," said Hans-Friedrich Beseler, the European Commission's director general for trade, who headed the EU team.

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Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka:					
Central Bank USD/BDT Rate: Buying-BDT 50.85/Selling-BDT 51.15					
TT/OD	EC	Currency	TT Clean	OD Sight Doc	OD Transfer
51.2300	51.2700	USD	50.8200	50.6516	50.5631
0.4733	0.4737	JPY	0.4445	0.4431	0.4423
32.3116	32.3363	CHF	31.2450	31.1415	31.0298
31.0015	31.0257	SGD	29.1533	29.0567	29.0059
36.0419	36.0701	CAD	33.8259	33.7138	33.5878
6.0192	6.0239	SEK	5.9106	5.8910	5.8787
32.8589	32.8846	AUD	30.0295	29.9300	29.7661
13.6268	13.6375	MYR	13.2327	13.1888	13.1555
6.6341	6.6393	HKD	6.4795	6.4580	6.4443
13.7700	13.7808	SAR	13.4423	13.3975	13.3638
14.0634	14.0743	AED	13.7210	13.6756	13.6406
0.0454	0.0454	KRW	0.0446	0.0445	0.0444
82.9465	83.0113	GBP	80.7174	80.4499	80.1577
52.1829	52.2236	EUR	50.2152	50.0488	49.9614
Useance Export Bills					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
50.7152	50.4023	49.9846	49.5042	48.9821	47.8126
Exchange Rates of some Asian currencies against US dollar					
India Rupee	Pak Rupee	Tha Baht	Mal Ringgit	Indo Rupiah	Sing Dollar
43.59/43.64	51.8951.90	38.02/38.07	3.7995/05	7390/7400	0.4917/24

US/Dollar					
Buying	Selling		1 Month	3 Months	6 Months
Cash	50.65	51.25	USD	5.88	6.11
Notes				6.3625	6.6375
T C	50.6	51.2	GEP	6.1235	6.23375
				6.41666	6.77531

Market Commentary

On Thursday, the local foreign exchange market was active and the demand for dollar picked up. The call money market was dull and the call rate ranged between 5.5 to 5.5 per cent.

In the international markets, dollar appreciated through parity with the euro recouping recent losses after soothsayers from US Federal Reserve Chairman Alan Greenspan spurned US technology stocks. The Nasdaq rose 168.21 points or 3.84 per cent to close at a record 4550.33 after Greenspan said the monetary policy was not necessarily aimed at keeping prices in check. Greenspan also told the Senate Banking Committee in his Humphrey Hawkins statement that the optimum monetary policy was one that moves in incremental steps.

Meanwhile, the European Central Bank is also expected to raise rates within the next couple of months. General producer price inflation reached its highest level in 4.5 years on Thursday, rising to 2 per cent year-on-year in January. The Bank of Japan's policy board voted to maintain its zero interest rate policy after it met on Thursday. US rating agency Thomson Financial Bank Watch on Thursday affirmed Japan's sovereign risk rating at AAA with a stable outlook, but the news failed to boost yen. The market also shrugged off worse than expected Japanese national retail sales data for January, released on Thursday. Japan's retail sales fell in January from a year earlier, worse than the average forecast by economists polled by Reuters.

At 1600 hours local time, dollar traded at 11.17/21 against JPY, euro at 0.9372/77 against USD and GBP at 1.6013/18 against USD.

Shipping Intelligence

Chittagong Port

Berth position and performance of vessels as on 24.2.2000					
Berth No.	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival
J/1	Hang Fu	C Clink	Sing	PSAL	18/2 1/3
J/2	Sea Bells	C Clink	Kanj	MBL	18/2 2/3
J/4	Martina	Gl	Yang	SMSL	13/2 27/2
J/6	General Kazmi Orbay	Cement	Turb	SBS	16/2 29/2
J/9	Ever Wealthy	Gl	Yang	Everett	21/2 27/2
J/11	Al Pinia	Wheat (P)	Ross	Seaglory	12/2 2/3
J/12	Xpresso Nilgiri	Cont	P Kel	RSL	21/2 26/2
J/13	Chi Hong	Cont	Mals	QCSL	21/2 25/2
CCT/1	Xpresso Resolve	Cont	Sing	RSL	22/2 27/2
CCT/2	Kota Singa	Cont	Sing	PIL (BD)	22/2 26/2
CCT/3	Da Fa	Cont	Sing	RSL	19/2 24/2
RM/14	Ocean Pride	Urea (G)	Sing	PSAL	11/2 24/2
RM/15	Sun Ocean	Ureal (G)	Ruwa	SMSL	22/2 29/2
CCJ	AJ Shams	C Link	Karab	RML	14/2 24/3
GSJ	Sia Bird-1	Wheat/Gl/ide	Mong	Benam	17/1 28/2
TSP	Clover Trust	R Phos	Jedd	Seacom	11/2 28/2
RM/4	Makhalchala	C	CDSL	R/A	25/2
RM/6	Horsesham	SKO/JP-1	Sing	Atlantic	21/2 25/2
RM/8	Banglar Urmii	Repar	BSC	R/A	25/2
RM/9	Banglar Robi	Repar	Mong	BSC	11/2 28/2

Vessels due at outer anchorage					
Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Thank God	24/2	-	PSAL	C Link (Diamond)	-
Orient Star	24/2	Yang	Angela	Tice (P) / Gl	-
OSG Alpha (Cont) 1/4/2	24/2	P Kel	RSL	Cont	Sing
Kota Bargaya	24/2	Sing	PIL (BD)	Cont	Sinh
Banglar Kakoli	24/2	Mong	BSC	Repair	-
Dea Champion	24/2	Sing	Arafeet	P Equip	-
Jaami	25/2	Yang	Cross	Gl (Pulse & Log)	-
Jaya Mars					