

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 tax 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 a "liberal dose 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 generally 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 fertilisers, 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.

"We need much quicker action, or else domestic industry will be severely hit by dumping from Southeast Asian countries."

For venture capitalist Pradip Shah, any budget wish list would be headed by a reduction of domestic taxes on consumer goods.

"This will boost domestic spending as prices will come down. People have more money now and this should be tapped. Taxes now make up more than 30 per cent of the price of products."

Shah said the budget should also put in place a labour policy to boost productivity and increase efficiency.

"Tough labour laws are a must if we are to cut costs, and face competition from overseas. The mollycoddling of labour

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

Industrialist Vijay Kalantri, at the All India Association of Industries, warned that the budget should not slash import tariffs further.

"We have reduced import tariffs on several items much faster than required. In fact there is a case for raising import tariffs on textiles, chemicals, ball bearings, newsprint, polyester film and some other products."

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."

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

BEIJING, 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 Commission's director general for trade, who headed the EU team.

"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.

China needs the consent of all 135 WTO members to enter the body that sets rules for world trade. The EU is the most important of 13 WTO members that have yet to sign off on China's accession.

The Europeans are seeking greater access to China's markets. Main points of contention have been European access to automobile and insurance markets and tariffs on 90 products.

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.

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.

US export system violates int'l rules: WTO

WASHINGTON, Feb 24: In a decision that could strain US-European trade relations, the World Trade Organisation's appellate body ruled that a US tax programme affecting hundreds of billions of dollars of US exports violated international rules, trade officials and industry groups said yesterday.

The decision could force the US Congress to change current law to bring the 16-year-old US Foreign Sales Corporations (FSC) scheme in line with the world trade watchdog's rules.

Failure to do so could oblige the United States to pay compensation to the European Union or face trade retaliation, though an EU source said retaliation was unlikely.

The ruling was a major victory for the EU, which launched the WTO dispute alleging that the FSC scheme amounted to a \$2.5 billion a year export subsidy to US firms, with Boeing Co and Microsoft Corp among major beneficiaries.

It was a stinging blow to the Clinton administration, and threatened to send shock waves through US business and spark a backlash from Congress.

Opposition to the WTO and the administration's trade agenda has increased since the collapse of global trade talks in Seattle

last December.

"We strongly disagree with the appellate body's ruling. Our view remains that the FSC is completely consistent with US WTO obligations," US Trade Representative Charlene Barshefsky said.

"We respect our WTO obligations and will seek a solution that ensures that US firms and workers are not at a competitive disadvantage with their European counterparts."

FSCs are usually subsidised by US corporations located in tax havens such as the Virgin Islands, Barbados or Guam. US firms exporting through them qualify for income tax relief. Dividends paid by FSCs to parent companies are not subject to US tax, according to the EU.

A WTO dispute panel ruled in September 1999 that the FSC scheme violated the trade body's subsidies code and agricultural agreement. Barshefsky said the WTO panel had erred, and appealed the decision.

But trade officials and industry groups said the appellate body brushed aside US arguments and upheld last year's ruling. The original WTO dispute panel report gave the United States until October 1 this year to withdraw the FSC system.

Annual confce of Rupali Ins held

The annual conference 2000 of the Rupali Insurance Company Limited was held at the company's head office at Rupali Bhaban recently, says a press release.

The Chairman of the company, Mostafa Golam Qudus, Management and Financial Consultant M Azizul Huq, Golam Mustafa, Consultant (Dev) and P K Roy, Managing Director, managers from different branches and other senior officials of head office were also present in the conference.

Mostafa Golam Qudus congratulated all the branch managers for their contribution to the company.

At the conference, the Deputy Managing Director, GFM Shawkat Ali, was awarded Chairman's Gold Medal and cash reward for his outstanding contribution to the company during the year 1999.



Mostafa Golam Qudus, Chairman of Rupali Insurance Company, presents the Chairman's Gold Medal to Deputy Managing Director GFM Sawkat Ali for his outstanding performance during 1999 at the annual conference held recently. M Azizul Huq, Golam Mustafa and P K Roy are also seen in the picture.



BCIC Tender Notice

Managing Director, Chittagong Urea Fertilizer Ltd., Rangadia, Chittagong invites sealed tender from bonafide manufacturers/suppliers against Tender No CUFL/PUR/99-2000/6 (197) dated 06.02.2000 for purchase of Needle for industrial sewing machine. Tender documents are available at the cost of Tk 50/= (fifty) only (non-refundable) per set up to 25.03.2000 during office hours in the following offices (1) BCIC, 30-31, Dilkusha C/A, Dhaka; (2) BCIC Branch Office, 06, Agrabad C/A, Chittagong & (3) CUFL, Accounts Department, Rangadia, Chittagong. Tender will be received in the Purchase Section, CUFL, Rangadia, Chittagong and BCIC Branch Office, 06, Agrabad C/A, Chittagong up to 11.30 AM on 27.03.2000 and will be opened simultaneously at both the places immediately thereafter. CUFL management reserves the right to accept or reject all tenders. Due to any unavoidable circumstances if the tender can not be opened in the schedule date, this will be opened on the next working day in the same time.

BCIC 103-14/2/2000
DFP-3552-16/2
G-315

Nousher Uddin Ahmed
Manager (Purchase)
for Managing Director.

Government of the People's
Republic of Bangladesh
Office of the Executive Engineer, R&H
Narayanganj Road Division
Shimrail, Narayanganj

R&H Tender Invitation Notice

1. Tender Notice No. : 53/Narayanganj Road Division, 1999-2000.
2. Name of work : Supply of various electrical goods, supply & fixing of ceiling mounted tube light & vertical blinds of Dhaka Road Circle Building during 1999-2000 financial year.
3. Estimated cost : Tk 2,08,928/=
4. Earnest money : Tk 4,179/= through any scheduled bank's Bank Draft/Treasury Challan/Pratirakha Sanchayapatra/5-year Bangladesh Sanchayapatra & Bonus Sanchayapatra in favour of the undersigned.
5. Time allowed for the work : 15 (fifteen) days.
6. Eligibility of contractor : 'A' to 'E' general class.
7. Offices where tender to be had at : Executive Engineer (R&H), Road Division, Dhaka/Manikganj/Munshiganj/Gazipur/Narsingdi/Narayanganj/Planning & Design Division, Dhaka Zone, Sarak Bhaban, Dhaka & Sub-Divisional Engineer (R&H) Bhitikandi/Narayanganj Road Sub-Division.
8. Offices where tender to be received at : Superintending Engineer (R&H), Dhaka Road Circle, Dhaka/Planning, Monitoring & Evaluation Circle, Dhaka Zone, Sarak Bhaban, Dhaka & Executive Engineer, R&H, Narayanganj Road Division, Shimrail, Narayanganj.
9. Last date & time of selling tender : 1-3-2000 up to office hours.
10. Date & time of receiving tender : 2-3-2000 up to 12-30 hours.
11. Date & time of opening tender : 5-3-2000 at 1-00 PM Executive Engineer (R&H), Narayanganj Road Division.
12. Date & time of lottery : 6-3-2000 at 1-00 PM.
13. Head of expenditure : 168-repair.
14. Estimate approving officer : Superintending Engineer (R&H), Dhaka Road Circle, Dhaka.
15. Price of tender : Tk 500/= per set (non-refundable).

Md Abdul Mukhtar
Executive Engineer, R&H
Narayanganj Road Division.
DFP-3516-16/2
G-341

Fischer, Sakakibara nominated for top IMF post

WASHINGTON, Feb 24: Stanley Fischer and Eluske Sakakibara were nominated yesterday to head the International Monetary Fund, says Reuters.

Fischer, 56, negotiated repeatedly with troubled countries, jettisoning from one country to the next as the financial storm swept through the world's emerging markets. Robert Rubin, the influential former US Treasury Secretary, once described him as the "unsung hero" of the recent world financial crisis.

A naturalised American, Fischer was born in what is now Zambia, giving him a valuable insight into the problems of the developing countries which are the IMF's biggest borrowers.

He was the realist offsetting at times idealistic comments from former managing director Michel Camdessus, once noting bluntly that Russia had lied, and stressing the harsh reality that South Korea was days from default when the IMF stepped in with a record-breaking loan in December 1997.

He also defended controversial IMF policies in Asia and elsewhere and lobbied for talks with Russia at a time when critics complained that IMF money was being wasted there.

Fischer had been a commentator on Russia long before he joined the IMF in 1994 as Camdessus' number two.

Two other deputies were appointed at the same time — but it was Fischer to whom markets listened as he explained IMF policy and outlined why it would work.

His arrival at the IMF coincided with the Mexican economic collapse of 1994-95, and the IMF initially won few friends with its efforts to curb the crisis there — a \$48 billion US-sponsored rescue deal including \$18 billion from the IMF.

Russia and its neighbours also won big IMF loans, but IMF staff were also slowly realising how hard it would be to revive moribund economies in the former Soviet Union.

Sakakibara is the candidate who might move the Fund furthest from its traditional US-dominated foundations and free-market approach.

The former Japanese finance minister was known during his ministerial career as Mr Yen — the man who would move financial markets with a word.

He espoused his brand of economic thinking in a book called "Beyond Capitalism", which described Japan as a distinctive non-capitalist market economy that might be a better guide for developing nations than the US model.

Sakakibara's views are therefore in stark contrast to the pro-market creed of the US Treasury, which is the IMF's largest single shareholder.

Tender Notice No 1/2000

Jamuna Multipurpose Bridge Authority
Tender Notice for Supply of a
Computerised Pay Roll System

The Jamuna Multipurpose Bridge Authority (JMBA) invites proposals from suitably qualified an experienced computer software suppliers for the supply and implementation of a Computerised Pay Roll System for the JMBA.

The proposal should meet the user requirements of the system as set out in the terms of reference. Tender document will be available on a cash payment of Tk 1000/- (non-refundable) from the office of Director (Finance & Accounts), JMBA, Allenbury, Tejgaon, Dhaka-1215. Clarification of any aspect of the requirements or any further necessary information may be obtained from the undersigned before submission of the proposal.

Technical and financial proposals are to be submitted separately. The tenders shall be required to demonstrate the system before the Technical Evaluation Committee of JMBA within 3 weeks from the closing date of submission of tenders as may be called and will be taken into consideration for evaluation of the technical proposals.

The proposals shall be submitted to the undersigned in six sets for each of technical and financial proposal. Financial offers will be opened only for the technically qualified bidders. Last date for submission of proposals is within 12:30 PM of 10-3-2000. Incomplete/conditional tenders will not be acceptable. JMBA reserves the right to accept or reject any/all tender(s).

Ahsan Abdullah
Additional Director (Finance & Accounts)
DFP-3884-20/2
G-329
Phone: 9124155



BCIC Tender Notice

বিসিআইসি পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

Khulna Newsprint Mills Ltd., Town Khalishpur, Khulna invites sealed tender vide No. PD-31.140/99-2000 dated 26-01-2000 for purchasing of 10,285 CFT BALLING BOARD TIMBER. The tender documents will be available in (1) BCIC, 30-31, Dilkusha, Dhaka; (2) BCIC Branch Office, 6, Agrabad, Chittagong & (3) Accounts Deptt., KNM Ltd., Khulna at the cost of Tk. 200.00 (two hundred) only (non-refundable). The tender will be received in the Office of the Addl. Chief Manager (Pur), KNM Ltd., Khulna and the Sr General Manager (Purchase), BCIC, 30-31, Dilkusha Commercial Area, Dhaka up to 11:00 AM on 06-03-2000 and be opened immediately thereafter in presence of the tenderers' representatives, if any. No tender document will be sold on the date of opening of the tender. KNM authority reserves the right to accept or reject any or all the bids without assigning any reason thereof.

BCIC 1/2-16/2/2000
DFP-3804-20/2
G-332

Addl. Chief Manager (Purchase)
for Managing Director.



Bangladesh Inland Water
Transport Authority
141-143, Motijheel Commercial
Area, Dhaka-1000
Purchase & Stores Deptt, Dhaka

Re-Tender Notice

Tenders in sealed cover are invited for sale of OTR Goods as MS Floater and MS Shore pipe on lot lying at BIWTA's Khanpur Store, Narayanganj on "as is where is basis". Tender may be dropped in the tender boxes kept at the Purchase & Stores Department, BIWTA Bhaban, 141-143, Motijheel C/A, Dhaka and Dredger Base, Khanpur, Narayanganj on 06-03-2000 up to 1500 hours and will be opened on the same day at 1515 hours in presence of the tenderers (if any). Tenders must be dropped by fulfilling conditions laid down in the tender schedule available with the Accounts Department, BIWTA (9th floor), 141-143, Motijheel C/A, Dhaka and Accounts Department, BIWTA Terminal Building, Narayanganj on payment of Taka 200/- (Two hundred) only (non-refundable). Intending tenderers may physically inspect the OTR Goods earmarked for tender at the BIWTA's Khanpur Store, Narayanganj during office hours on any day up to 06-03-2000.

PR-10/00
DFP-3769-20/2
G-334

Md Golam Molla Mollah
Director (Purchase & Stores)

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					
Selling		Currency		Buying	
TT/OD	BC	TT Clean	OD Sight	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	32.3368	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	29.7761
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	13.3978	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

Usance 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	Pak	Tha	Mal	Indo	Sing
n Rupee	Rupee	Baht	Ringgit	Rupiah	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	
Cash		Notes		3 Months	
50.65	51.25	USD	588	611	6.3525
50.6	51.2	GEP	6.12375	6.23375	6.41666

Shipping Intelligence

Chittagong Port
Berth position and performance of vessels as on 24.2.2000

Berth	Name of Vessels	Cargo	L Port	Local Agent	Date of Arrival	Leaving
J/1	Hang Fu	C Clink	Sing	PSAL	18/2	1/3
J/2	Sea Belis	C Clink	Kan	MBL	18/2	2/3
J/4	Martina	GI Yang	SMSL	13/2	27/2	
J/6	General Kazmi Orday	Cement	Turb	SBS	16/2	29/2
J/9	Ever Wealthy	GI Yang	Everett	21/2	27/2	
J/11	Al Pinia	Wheat (P)	Rosa	Seaglor	12/2	2/3
J/12	Xpress Nilgiri	Cont	P Kel	RSL	21/2	26/2
J/13	Chiu Hong	Cont	Mala	QCSL	21/2	25/2
CCT/1	Xpress Resolve	Cont	Sing	RSL	22/2	27/2
CCT/2	Kota Singa	Cont	Sing	Pil (BD)	22/2	26/2
CCT/3	De Fa	Cont	Sing	RSL	19/2	24/2
RM/14	Ocean Pride	Urea (G)	Kan	PSAL	11/2	24/2
RM/15	Sun Ocean	Urea (G)	Kan	SMSL	22/2	29/2
CCJ	Al Shams	C Clink	Karab	RML	14/2	24/3
GSJ	Sea Bird-1	Wheat (G)/Ide	Mong	Benam	17/1	28/2
TSP	Clover Trust	R Phos	Jedd	Seacom	11/2	28/2
RM/4	Makhachala	CDSO	-	TSL	R/A	25/2
RM/6	Horsham	SKO/JP-1	Sing	Atlantic	21/2	25/2
RM/8	Banglar Urmi	Repair	-	BSC	R/A	25/2
RM/9	Banglar Robi	Repair	Mong	BSC	11/2	28/2

Vessels due at outer anchorage

Orient Star	24/2	Yang	Angelic	C Clink (Diamond)	
OSG Alpha (Cont) 14/2	24/2	P Kel	RSL	Tice (P) / GI	Sing
Kota Bargaya	24/2	Sing	Pil (BD)	Cont	Sinh
Banglar Kakoli	24/2	Mong	BSC	Repair	
Dea Champion	24/2	Sing	Arafent	P Equip	
Jaami	25/2	Yang	Cross	GI (Pulse & Log)	
Jaya Mars (Cont) 16/2	25/2	CBO	Baridhi	Cont	Col
OC Pinali (Cont) 14/2	25/2	Sing	QCSL	Cont	Sing
Marynour	25/2	Lang	BSL	Cement	
Orient Lilac	25/2	Sing	Everett	GI (St Coll)	
Trias	25/2	-	Jaycee	Cement	
Triumph Hong Kong	26/2	Sing	RML	GI (St Coll)	
Mu Du Bong	26/2	-	PSAL	Cement	
Delos-1	26/2	-	PSAL	Cement	
Teresa Everett (48) 14/2	26/2	-	Everett	GI (St Coll)	
Achiever (Cont) 20/2	27/2	Sing	RSL	Cont	Sing
Jurong Balsam (Cont) 22/2	27/2	Sing	NOL	Cont	Sing
Paraskevi MY	28/2	-	Total	Wheat (F)	
Banglar Shikha (Cont) 18/2	28/2	Sing	BSC	Cont	Sing
Jin Cheng	29/2	-	BDSHP	GI	
Triumph Kaossing (48) 23/2	29/2	Sing	RML	St Coll & P Equip	
Sheng Yang (48) 23/2	29/2	Sing	RML	GI (St Coll)	
Sonali	1/3	-	OWSL	Urea	
OSG Argosy (Cont) 23/2	2/3	-	Baridhi	Cont	Col
Tiger River (Cont) 22/2	3/3	Sing	NOL	Cont	Sing
Kola Cahaya (Cont) 22/2	3/3	Sing	Pil (BD)	Cont	Sing
Banga Birol (Cont) 22/2	4/3	-	BDSHP	Cont	Sing
Banglar Mori (Cont) 22/2	5/3	Sing	BSC	Cont	Sing
Xpress Makalu (Cont) 16/2	7/3	Sing	RSL	Cont	Sing