

IMF picks Koehler as new MD

Months on transatlantic dispute comes to an end

WASHINGTON, Mar 24: The International Monetary Fund yesterday picked Germany's Horst Koehler to be its new managing director, ending months of bickering that peaked with a bruising transatlantic dispute, reports Reuters.

An IMF statement said Koehler would succeed France's Michel Camdessus as managing director of the fund, which provides billions of dollars each year in loans to countries in financial trouble around the world.

"The Executive Board of the International Monetary Fund today agreed unanimously to select Horst Koehler as Managing Director and Chairman of the Executive Board of the International Monetary Fund," the statement said.

It did not say when Koehler,

a former German finance ministry official who now heads eastern Europe's development bank, would move from London to Washington. Many at the IMF and at the European Bank for Reconstruction and Development expect him to be in office for the IMF's spring meeting next month.

Koehler, who also worked with the German Savings Bank Association, was Europe's second candidate to head the IMF. The first nominee, Cairo Koch-Weser, withdrew from the race this month after the United States said it would not support him.

In an ugly diplomatic dispute, Germany, accused of the United States of bullying while Washington said Germany had ignored increasingly blunt messages and tried to bulldoze its first candidate through de-

spite opposition in Europe and beyond.

There is a common desire that is felt quite widely to improve the processes by which the heads of international organisations are selected to make sure that we get the best and most qualified person for these institutions," US Treasury Secretary Lawrence Summers said on Thursday.

Other officials have also said that the IMF should change the way it selects its managing director. Koehler, in a news conference in Washington last week, admitted the system that won him the job was flawed and needed to be reviewed.

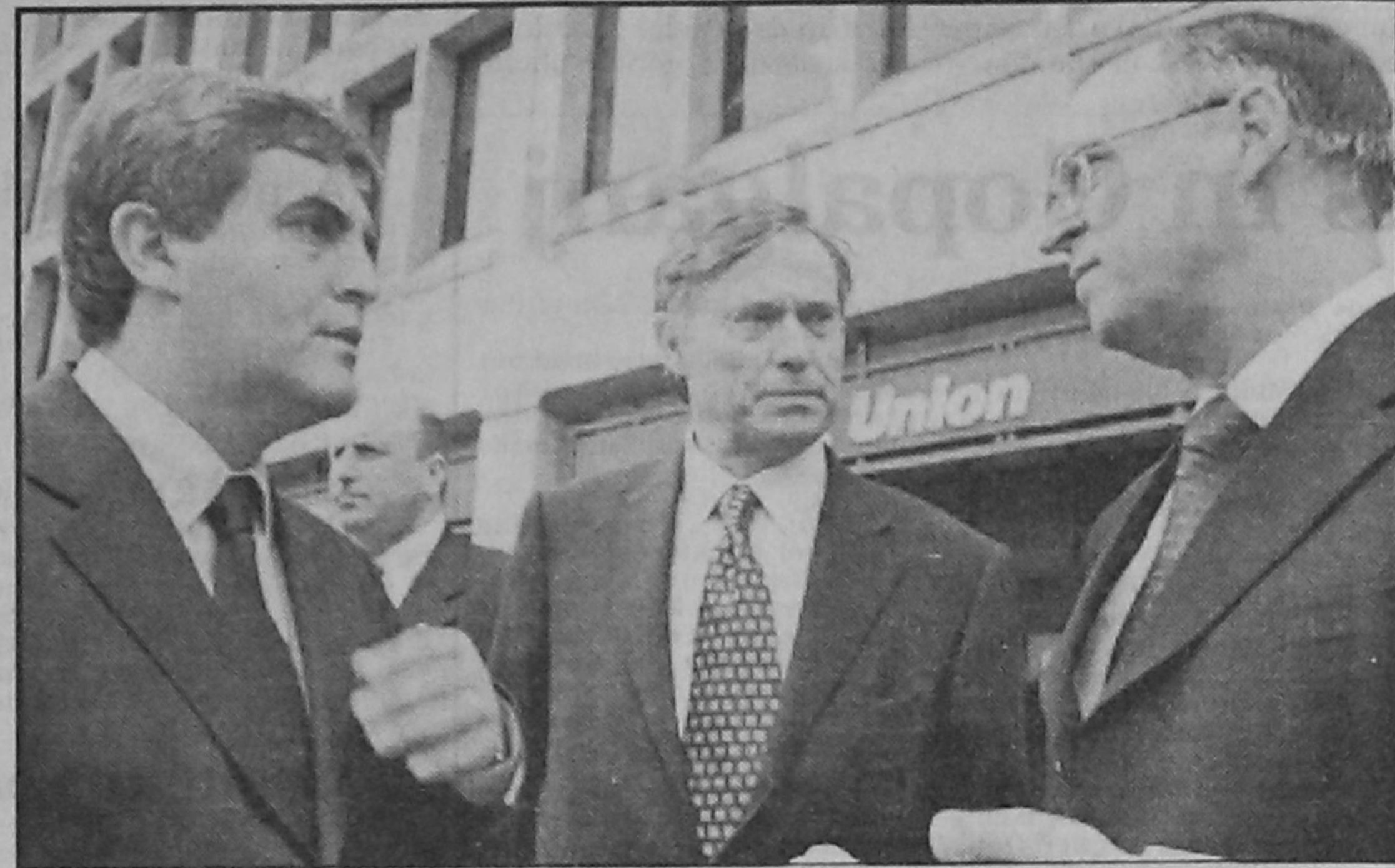
Koehler, 57, took office at a difficult time for the IMF, which is under fire in the US Congress and elsewhere for its response to the world financial crisis of 1997-1999.

Tim Leach, chairman of the influential Banking Committee of the house of Representatives, said on Thursday he backed Washington's decision to support Koehler, but the way he was chosen was wrong.

"The selection process itself lacked diplomatic sensitivity and, more importantly, thoughtful professionalism," he said.

A controversial report to Congress wants the IMF to curb its lending activities sharply, eliminating concessionary loans to poor countries and lending only to countries which had "prequalified" for financial help.

Summers said that some of the more radical ideas could put US security at risk by preventing the lender from helping a wide range of countries.



In this March 16 file photo (from left), Portuguese Finance Minister Joaquim Pina Moura, Germany's Horst Koehler, European Union (EU) candidate for the post of International Monetary Fund (IMF) Managing Director, and German Finance Minister Hans Eichel confer outside the IMF headquarters in Washington, DC. Koehler was unanimously named Thursday to head the 182-member organisation by its executive board. — AFP photo

Security seen facing risks

US admn slams call for curbing IMF lending

WASHINGTON, Mar 24: The US administration blasted proposals yesterday by a congressional panel to curb the International Monetary Fund's lending, warning that US security could be at risk by restricting the global lender, reports Reuters.

In his first detailed response to a controversial report issued by a congressionally appointed commission, US Treasury Secretary Lawrence Summers warned that US wages, savings and security could be at risk if the IMF is prevented from helping a wide range of countries.

"We find a number of the more drastic recommendations highly troubling," Summers told the House Banking Committee, which includes some of the IMF's main detractors, in his remarks on the International Financial Institution Advisory Commission's recommendations.

Summers said the panel's suggestion that the IMF decou-

ple its loans from the tough conditionality which traditionally accompanies the cash would lead to "an irresponsible use of taxpayers' money."

The divided commission, which published its recommendations earlier this month, wants to curb that number of countries eligible of IMF cash and cut of IMF lending to the world's poorest countries. Countries would "pre-qualify" for IMF help and money would then be available without conditions.

The recommendations from the so-called Meltzer Commission would not work, Summers said, while conceding that some reforms were needed.

"We believe that taken literally they would straitjacket these institutions to the point where they would no longer be able to advance America's core values."

He added: "The combination of restrictions that the report proposes would essentially

eliminate these institutions' capacity to provide support for countries as diverse as Mexico, Bulgaria and Thailand."

In times of global economic turmoil, the proposals would cripple the IMF's ability to aid failing nations.

In its report, the Commission also proposed reducing the duration of IMF loans, raising the interest rates charged by the IMF and cutting off World Bank loans to those countries that can raise money in private markets.

While Summers offered strong opposition to the recommendations, key members on the House panel agreed that huge changes were needed at the IMF.

"A great many in Congress have lost confidence in the IMF. I am among those," said Representative Doug Bereuter, a Republican from Nebraska, who sponsored legislation to form the commission.

Japan banks en route to healthy gains in 2001

TOKYO, Mar 24: Japan's big banks, hobbled for years by huge bad loans, are hoping for healthier earnings next business year as the economy brightens, but lingering problems such as low profitability still haunt the sector, analysts say, reports Reuters.

Although a recent surge of merger activity shows banks are gearing up well for tougher competition, the effect on their earnings and share prices will take a while to show because most are slow-moving alliances that will not be completed until 2002.

"The earnings outlook for the banking sector remains subdued for the next business year as the structural problem of low profitability remains," said an analyst at a leading rating agency.

Shares in banks face a mixed outlook in the business year starting from April 1, say analysts.

The banking subindex NBKS on the Tokyo Stock Exchange has declined steadily to around 1,750 this week from highs of around 2,500 reached in late October. However, Goldman Sachs said in a recent report that banks offered a good buy opportunity now because of their cheapness.

"Japanese city banks are now the cheapest major bank sector in the developed world. They are trading on 1.4 times book (the premium investors are willing to pay for a firm's assets) while the world's top 20 are trading at 2.5 times," it said.

The report said the sale of

cross-held shares is likely to continue for now but the turnover of banking sector share has increased to such an extent that it could easily be absorbed. The turnover of city bank shares rose from a mere 5.1 per cent of all common shares outstanding in 1991 to 37.5 per cent in 1999.

Goldman Sachs put the fair value of industry leader Bank of Tokyo-Mitsubishi Ltd 8315, T at 1,830 yen. Its shares are currently trading around 1,415 yen.

Katsuhito Sasajima, senior analyst at Warburg Dillon Read, said the sale of bank stocks as a result of unwinding of cross-shareholdings towards the financial year-end would likely subside after the new business year begins in April.

Tobacco co to stop media ad in Sri Lanka

COLOMBO, Mar 24: The Ceylon Tobacco Co., which has a monopoly on cigarette sales, said Thursday it will stop advertising in newspapers, magazines and television following a government anti tobacco campaign, says AP.

Almost 40 per cent of Sri Lankans smoke cigarettes.

The decision to rely only on in-store advertising comes weeks after the government banned the sale of cigarettes in the vicinity of schools to prevent addiction by students.

Many children start smoking at the age of 10. But from now on, cigarettes cannot be sold to anyone younger than 18.

The government has been campaigning to raise awareness among the public to the dangers of tobacco use. Doctors and anti-smoking campaigners welcomed the move to curb advertising.

UK in final stage of ratifying ILO Convention 182

The British government is in its final step of ratifying the International Labour Organisation Convention 182, says UNB.

British Minister of State for Foreign and Commonwealth Affairs Peter Hain MP presented his country's instrument of ratification to the Director General of ILO by in Geneva Wednesday, said a British High Commission Press release in the city Thursday.

Britain had announced its intention to ratify the ILO convention in September 1999.

The ILO Convention 182 concerns the prohibition and immediate action for the elimination of worst forms of child labour.

All the 174 ILO member states unanimously adopted the convention at the International Labour Conference in Geneva in June 1999 with an aim to protect children from extreme forms of labour, including slavery, prostitution, pornography and forced recruitment for use in armed conflicts.

NZ records worst trade deficit in 15 years

WELLINGTON, Mar 24: New Zealand recorded its worst trade deficit in 15 years last year, spending \$1.6 billion dollars (US \$4 billion) more than it earned, "according to official statistics released Friday, says AP.

Finance Minister Michael Cullen described the data as "awful," but added that the deficit "should be about as bad as it gets."

The deficit equaled 8 per cent of the country's annual Gross Domestic Product or about one third more than New Zealand's annual exports, Statistics New Zealand reported.

The deficit was swollen by high import levels and the 631 million dollar (US \$315 million) cost of a new navy frigate. Markets had already anticipated the figures and built them into positions, which meant there was little immediate market reaction.

In a statement, Cullen said the consensus was that the position would begin to turn around in the next few months as export prices and export volumes to Asia revived.

Opposition calls for rollback

Indian govt slated for cutting oil subsidies

NEW DELHI, Mar 24: India's opposition party and two powerful allies of the coalition government yesterday slammed increases in the prices of cooking gas and kerosene, arguing the poor will bear the burden, reports AFP.

The opposition Congress party said the price increases, aimed at slashing subsidies, were an "ad hoc move" and called for a rollback.

"The removal of (the) subsidy in kerosene will affect the villagers as the government has failed to provide enough electricity to the villages," Congress leader Pranab Mukherjee told reporters.

Madhavrao Scindia, the party's lower house deputy leader, said the Congress would fight the hike "tooth and nail, both inside and outside the parliament."

New Delhi increased the price of kerosene by 2.50 rupees and liquefied petroleum gas (LPG) by 30 rupees (about 70 cents) per cylinder to keep pace with an increase in global oil prices and contain a galloping fiscal deficit.

The TDP party, a powerful ally in the ruling coalition, called the increase "stiff."

"The TDP is of the view that such increases should have been effected in a phased and gradual manner so as to make them reasonable to the consumers," TDP Parliamentary party leader K. Yerranaidu said in a statement.

The Trinamool Congress, another partner of Prime Minister Atal Behari Vajpayee's government, called for a rolling back of the increases.

Difficult repairing still needed Asian turnaround truly remarkable: Fed

NEW YORK, Mar 24: Federal Reserve Bank of New York President William McDonough said yesterday Asia's economic turnaround was truly remarkable but the region still had some difficult repair work to do, reports Reuters.

In a speech prepared for delivery to the Monetary Authority of Singapore, McDonough said Thailand, Indonesia, Malaysia and especially Korea had made "meaningful headway" toward recapitalising their banking systems, ridding bank balance sheets of problem assets and improving supervisory and regulatory frameworks.

Asian economies suffered a serious setback in a crippling financial crisis from 1997-98. "Without question, this is

truly a remarkable turnaround," McDonough said according to a text of the speech made available to reporters in New York in advance of delivery.

It must also be acknowledged that the economies of Asia are not out of the woods just yet.

Hard-earned progress on the banking front was already bearing fruit in that the economic contraction in Asia had generally been halted and in some countries reversed, McDonough said.

His speech focused mainly on the elements of a sound banking system. He said many emerging market economies suffer from relative scarcity of savings in relation to large-scale investment needs.

Government of the People's Republic of Bangladesh

Department of Films & Publications
112, Circuit House Road, Dhaka-1000
No. 3-41/96-97(F)/Part-1

International Re-Tender

No. 1(F)/99-2000

Department of Films and Publications (DFP) invites sealed international tender for supply and commissioning of equipment from manufacturer through their appointed local agent in Bangladesh of the following equipment as specified in the tender schedule.

Description of the equipment:

Sl. No	Items	Quantity
	16/35 Combined optical sound recorder with accessories	
01.	16/35 mm Combined optical sound recorder	1
02.	16/35 mm Combined four track sound recorder	1
03.	35 mm four track reproducer	1
04.	16 mm two track reproducer	1
05.	Mixing console	1

Tender document (tender schedule) with detailed specifications is obtainable from the office of DFP, 112, Circuit House Road, Dhaka-1000 on payment of Tk 750/- per set during office hours from 27-03-2000 to 24-04-2000.

Tender will be received in two-envelope system (one for technical-cum-commercial offer and other for financial offer). This will be received in two separate tender boxes kept in the office of DFP up to 1200 hours on 25-04-2000. Technical-cum-commercial offer of the tender will be opened at 1215 hours on the same day in presence of the bidders (or their local representatives), if any. Financial offer of the bidders, whose technical offer found responsive, will be opened later after notifying the bidders. This will be opened in presence of qualified bidders, if any.

DFP reserves all rights to accept or reject any or all the tenders without assigning any reason whatsoever.

DFP-7099-23/3
G-540

B. M. Salauddin
Director (Film).

Government of Bangladesh Office of the Executive Engineer

Faridpur PWD Division

Memo No 421 Dated: 9.3.2000/26.11.1406 Bang

Notice Inviting Tenders

Tender No 104 of 1999-2000

Sealed tenders are hereby invited in Bangladesh Form No 2911 from the approved special class-I/combined class-I/class-II E/M contractors of PWD, class-II E/M contractors of PWD Zone, Khulna holding ABC/BC licence from Licensing Board for "construction of 6 (six) storied constable barrack bldg with dining hall and kitchen in/c sanitary and water supply arrangement works at Police Line at Faridpur (SH.- Supplying & installation of 15 HP centrifugal water pump motor set in/c E/I works of pump house) and will be received by the undersigned as well as by the Executive Engineer, PWD Divn., Magura, Jhenidah, Jessore, Kushtia, Chuadanga, Meherpur, Narail and Rajbari in their respective offices up to 12-00 Noon of 6.4.2000. The estimated cost of the work is Taka 2,18,580/- only and the earnest money is Taka 4,372/- in TC/PO/BD from any scheduled bank of Bangladesh or Pratirakha Sanchaya Patra, Bonus Sanchaya Patra, 5 Yrs BD Sanchaya Patra must accompany each tender duly endorsed to the Executive Engineer, PWD Division, Faridpur. Otherwise his/their tender shall be declared informal. No tender form, schedule of items, additional terms and conditions etc. will be sold after 5.4.2000. The tender paper, schedule of items, additional terms and conditions etc. may be obtained from the office of the undersigned as well as by the EE., PWD Division, Magura, Jhenidah, Jessore, Kushtia, Chuadanga, Meherpur, Narail and Rajbari on all working days during office hours on payment of usual charge of Tk 400/- (Taka four hundred) per set of the tender schedule and a sum of Taka 125/- (twenty-five) per copy of tender Form No 2911 (both non-refundable).

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

Md Syedur Rahman
Executive Engineer
Faridpur PWD Division.

Government of the People's Republic of Bangladesh

Directorate General of Food Inspection, Development and Technical Services
16, Abdul Ghani Road, Dhaka

Memo No IDTS/Dev-1144/99/416 Dated: 12.03.2000

Notice Inviting Applications for Selection of Consulting Firm

(Re-Tender, 3rd Call)

Applications in two separate envelopes (one for the Technical Offer and the other for the Financial Offer) under sealed covers are invited from competent and experienced consulting firm (s) for Feasibility Study for Construction of a Concrete Silo at Mongla Port with Ancillary Facilities.

A total period of about 6 months will be required and the work is expected to start soon.

The terms of reference may be collected by any interested consulting firm from the Cashier, Dte of Accounts and Finance (4th floor) on submission of a written application addressed to the Director (IDTS), Directorate General of Food, Khaddya Bhaban, 16, Abdul Ghani Road, Dhaka upon payment of a non-refundable fee of Taka 750.00 (seven hundred fifty) on all working days within office hours up-to 4th April, 2000.

The offer (s) will be received by the undersigned up-to 12-00 Noon on 5th April, 2000 in the conference room of the Directorate General of Food, 1st floor, Khaddya Bhaban, Dhaka. The Technical Offers of the participating firms will be opened later on in presence of applicants or their authorised representatives (if any). The opening date and time will be informed in time.

The authority reserves the right to accept or reject any or all bids in part or full without assigning any reason whatsoever.

Md Habibur Rahman
Director

DFP-6371-19/3
G-536
Inspection, Development and Technical Services
Directorate General of Food
16, Abdul Ghani Road, Dhaka.