

Indian forex reserves hit all-time high of \$38b

BOMBAY, Apr 8: India's foreign exchange reserves rose nearly 17 per cent during the last financial year, boosted by heavy foreign investment flows into the country, reports Reuters.

The Reserve Bank of India (RBI) released weekly data which showed reserves hit an all-time high of \$38,036 billion on March 31, 2000. They were at \$32,535 billion on April 1, 1999.

The country's reserves surged more than \$2 billion just in the month of March 2000, which dealers said was explained by the central bank's continuous intervention in foreign exchange market through state-owned banks.

Analysts said the rise in the

RBI's foreign exchange assets during the year had been spectacular, and probably among the highest in recent years.

The currency assets rose \$5.49 billion during 1999/2000 (April-March) compared with just over \$3.4 billion the previous year.

Flows comprised not just portfolio flows but also direct equity investments, analysts said.

Foreign funds invested over \$1.5 billion in Indian debt and equity markets in 1999. Investments in March were just \$378 million, but total investments in 2000 so far have crossed \$1.8 billion.

Since March 1999 the top 30-share benchmark Bombay index has risen nearly 40 per cent.

It closed at 5,219.2 points on Friday.

Foreign direct investment (FDI) flows were estimated at \$3 billion in April-September 1999 and the government hopes to attract around \$10 billion a year.

Indian firms tapping overseas equity markets are expected to bring in at least \$4 billion in the early part of 2000/01.

The inflows last year not only explained the surge of liquidity into Indian bond and equity markets during the year but probably reflected the attractiveness of the new technology-driven economy, analysts said.

The inexorable rise in foreign reserves, more than anything

else, explains why Indian equity markets have surged, bonds have rallied remarkably and the rupee has been rock solid in 1999-2000," said Vasan Shridharan, treasury economist at Standard Chartered.

The Indian rupee lost just 2.7 per cent in 1999-2000.

It is convertible only on the current account and was fairly stable even during a border conflict in Kashmir and federal elections last year.

The rupee ended Friday at 43.62/6225 to the dollar.

Bankers expect the rupee's stability to be sustained through the current year and the central bank to continue intervention to arrest any appreciation.



Md Moniruzzaman, Executive Vice President of the United Commercial Bank Limited, inaugurates a training programme on 'Foreign Trade and Foreign Exchange' for the bank's officers at the Training Institute in the city yesterday. Principal of the institute, AHM Nurul Islam Chowdhury, is also seen.

— UCBL photo



Sheikh Ahmed bin Saeed Al Maktoum is seen with Sandra Nori MP(L), New South Wales' Tourism Minister, and Lucy Turnbull, Sydney's Deputy Mayor, and Emirates cabin crew shortly after the arrival of Emirates' first flight in Sydney.

— Emirates photo

Critics of US-China PNTR propose alternative steps

WASHINGTON, Apr 8: Critics of the United States granting China permanent trade privileges hope to win congressional passage of parallel measures aimed at addressing their concerns over human rights and proliferation ahead of the historic vote on trade, reports AFP.

"Acknowledging they cannot alter a landmark trade agreement between Beijing and Washington, which implies the last target Beijing indirectly.

"We can begin by establishing an annual review mechanism that assesses China's behaviour with regard to proliferation of WMD (weapons of mass destruction) and missile technologies," said Republican Senator Fred Thompson of Tennessee.

Thompson is the chairman of the Senate Governmental Affairs Committee and a free-trade advocate who supports granting China PNTR but worries about the possible threats to US national security. He has floated the idea of further regulating foreign companies' access to US capital markets.

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Week of dizzying dips and gains leaves Nasdaq down, Dow up

NEW YORK, Apr 8: A week of dizzying falls and equally spectacular recoveries parked by a court ruling against Microsoft left the tech-heavy Nasdaq down just 2.76 per cent and the Dow up 1.74 per cent, reports AFP.

The week began with the Nasdaq's largest point fall ever, plummeting 349.15 points on Monday after the breakdown of talks between Microsoft and the US government to settle an antitrust case against the giant software maker.

When a federal judge came down hard against Microsoft after trading ended Monday, the Nasdaq took another dive Tuesday, falling 574 points, or 13.5 per cent at one point during the day before finally recovering its equilibrium. The fall from 200 points to 500 points down happened in only 90 minutes.

The Dow proved unable to avoid investors' selling spree, falling as much as 500 points, or 4.5 per cent during Tuesday's trading.

But the recovery Tuesday

was almost as breath-taking as the falls, as the indexes closed with only moderate losses — 1.77 per cent for the Nasdaq and 0.51 per cent for the Dow.

By Friday, the Nasdaq had reduced its losses to only 2.76 per cent, finishing at 4,446.45, and the Dow had gained 1.74 per cent to 11,111.48.

The Nasdaq regained 6.6 per cent of its value between Wednesday and Friday. That leaves the index down 12 per cent from its March 10 record, but up eight per cent on the year—still outpacing the Dow which is down three per cent since January 3.

Analysts warn that high-tech shares are still overvalued and could face more steep declines.

"If the Nasdaq were to complete a 36 per cent decline, equivalent to that of the Dow Jones Industrial Average in 1987, a level of 3,200 points could be achieved," said Louise Yamada, of Salomon Smith Barney.

"This would return the Nas-

daq price to the consolidation level in place before the bubble began, similar to what occurred to the Dow Jones Industrial Average in 1987," she said.

The mid-week recovery owes much to Abby Joseph Cohen of Goldman Sachs, one of the most respected stock market analysts on Wall Street, who boosted confidence with her remarks at a White House economic seminar Wednesday.

US jobs data released Friday, which showed the unemployment rate for March unchanged at 4.1 per cent, also reassured investors.

But more warning signs also popped up during the week. US Federal Reserve Chairman Alan Greenspan twice said the Fed would remain vigilant in its watch against inflation. Most analysts expect the Fed to raise key interest rates at its next policy meeting on May 16.

"Hourly earnings rose by 0.4 per cent for the third straight month, placing first quarter growth at almost 4.2 per cent annualized.

"This would return the Nas-

Emirates launches its service to Sydney

Emirates first flight to Sydney touched down at the Sydney International Airport recently, says a press release.

Emirates now flies four times a week from Dubai to Sydney via Singapore. Sydney is Emirates' second destination in Australia after Melbourne, to which the airline operates daily flights, also via Singapore.

Other new destinations by Emirates are Entebbe, Uganda, to which thrice weekly services started on March 27, and Milan, Italy, thrice weekly via Rome from April 1.

Int'l lenders okay \$250m debt relief for Mozambique

WASHINGTON, Apr 8: International lenders have approved an extra \$250 million of debt relief for cash-strapped Mozambique, international finance officials said yesterday.

The debt relief, approved by the World Bank on Thursday and by the International Monetary Fund on Friday, comes on top of \$1.7 billion Mozambique has already received under the international Highly Indebted Poor Countries initiative, which rewards reformist debtor states with generous debt relief.

The \$250 million assesses the debt in net present value, or what it would cost to repay the loans today. In nominal terms Mozambique will receive \$700 million of new debt relief, on top of the \$3.7 billion it is already getting in nominal terms.

Mozambique is the fifth country to qualify for the enhanced HIPC debt relief initiative after Tanzania, Uganda, Mauritania and Bolivia. That accord limited gold sales to 2,000 tonnes over five years and helped lift the price of gold that had fallen to an eight-year low point of around 250 dollars an ounce.

The eight-year low was recorded after the Bank of England in May 1999 announced it was selling 415 tonnes of its 715 tonnes of gold.

Silver: Shiny. Silver prices rose in line with the price of gold.

Cash prices rose to 5.09 from 4.94 dollars an ounce.

Platinum and Palladium: Mixed. Palladium prices fell and platinum rose as dealers continued to await signs of resumed supplies from Russia —

Metal: Weekly Roundup

Gold, silver up while base metals dull

LONDON, Apr 8: Gold prices recovered slightly this week, as extreme volatility on the equities market encouraged investment in the precious metal and helped to mitigate the effects of another central bank gold auction, reports AFP.

The cash price on the London Bullion Market rose to 280.15 dollars an ounce from 276.10 dollars a week earlier. On Wednesday, prices rose to 285 dollars an ounce, the day after the technology-rich Nasdaq in New York plunged.

As the US stock markets recovered, gold slipped back to stabilise at around 280 dollars an ounce.

At the start of the week, the price of gold fell sharply after Austria's central bank announced that it had sold 30 tonnes of gold and was planning further sales.

The Austrian central bank is authorised to sell 90 tonnes by 2004 under the terms of an agreement signed by 15 European central banks last September.

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Silver: Shiny. Silver prices rose in line with the price of gold.

Cash prices rose to 5.09 from 4.94 dollars an ounce.

Platinum and Palladium: Mixed. Palladium prices fell and platinum rose as dealers continued to await signs of resumed supplies from Russia —

the world's biggest exporter of palladium and the second-biggest platinum producer.

Russian President-elect Vladimir Putin at the start of January signed decree supposedly removing the obstacles to platinum exports, but the market has yet to see any deliveries.

Palladium prices fell to 582 dollars an ounce from 605 dollars last week.

Platinum prices rose to 514 dollars an ounce.

Base Metals: Dull. Copper led base metals downwards this week on the London Metal Exchange (LME), partly because of Tuesday's fall on US equity markets.

Analysts said the US slump had an adverse impact on base metals, even though it boosted further sales.

Copper was at its lowest level since mid-October, while aluminum was at its lowest ebb since November and nickel since the start of February.

Three-month nickel prices on the LME fell 680 dollars to 9,340 dollars a tonne.

Many sticking points between blocs EU-Mercosur first round talks end bitterly

BUENOS AIRES, Apr 8: The European Union and the southern Latin American Mercosur bloc were far apart yesterday at the end of their first round of talks on the creation of the world's largest free trade zone, participants said, reports Reuters.

The two-day session has been seen as an opportunity to launch three work groups — goods, services and technical norms but diplomats said there were many sticking points between the EU and Mercosur, which links Argentina, Brazil, Paraguay and Uruguay.

"There are different levels of ambition over issues that are priorities for the European Union and those that are prioritised by Mercosur," said Jose Alfredo Graca Lima, Brazil's undersecretary of Integration, Economy and Trade Affairs and leader of his nation's delegation.

The two sides are striving to form a trade bloc encompassing 680 million consumers, but stumbling blocks are intellectual property rights and government purchases.

European nations want to

ensure their companies' industrial and laboratory patents are respected by Latin American countries who in the past have ignored them, and seek to obtain fair treatment for EU firms bidding on Latin American projects.

The special interest of Mercosur in these talks is to progress ... in obtaining better access to the (European) market for our export sector," said Graca Lima.

"On the other hand, the EU's main interest seems to be the formulation of more advanced and strict rules concerning intellectual property and government purchases," he said.

A second round of talks is scheduled for Belgium in June and Brazil later in the year. The agenda calls for initially handling tariff-free trade matters before tackling negotiations on duties in July 2001.

The two sides have differences over the complex issue of import duties on diverse products, as well as subsidies the EU grants its farmers that weigh against Mercosur's hefty agricultural exports.

Roads & Highways Department Tender Invitation Notice

1. Tender notice number : 57/BRD of 1999-2000 year
2. Name of work : Various work under Barisal Road Division in different groups during 1999-2000 fiscal year (as per group list).

3. Estimated take : As per group list.
4. Security money : **do**
5. Time limit for completion of work : **do**
6. Eligibility of contractors to submit tender : **do**
7. Names of offices where tender will be available : Executive Engineer, R&H, Road Division, Barisal/Jhalakathi/Pirojpur/Patuakhali/Barguna/Bhola/Planning Division (PD), Sarak Bhaban, Ramna, Dhaka/Sub-Divisional Engineer, 1/2 Barisal/1st Line Workshop Sub-Division Barisal on all working days during office hours excepting holidays. No tender will be sold on the day of opening tender.

8. Last date and time of selling tender schedule : 19/4/2000 till 5.00 PM.
9. Offices in which tenders will be received in sealed condition : Additional Chief Engineer, R&H, Barisal Zone, Barisal/Divisional Commissioner, Barisal/Superintending Engineer, R&H, Road Circle, Barisal/Superintending Engineer, R&H, Monitoring & Evaluation Circle (PD) Sarak Bhaban, Ramna, Dhaka/Executive Engineer, R&H, Road Division Barisal/Jhalakathi/Pirojpur.

10. Last date and time of receiving tender schedule in sealed condition : 20/4/2000 till 12.30 PM.
11. Date and time of filing tender schedule in sealed condition : 20/4/2000 till 12.45 PM.
12. Place, date and time of opening tender : Office of the Executive Engineer, R&H, Sarak Division, Barisal, 27/4/2000 at 11.00 AM.
13. Date and time of lottery : 9/5/2000 at 11.00 AM.

Group No Name of work and location Estimated money Security money Time for completion of work Head of expenditure Eligibility of contractor to submit tender

1 (one) Construction of 2x20'0" long 1 RCC box culvert on 11th km of Mahilara-Chhogram-Kotalipara Road under Barisal Road Division during 1999-2000 year 33,97,255/- 67,945/- 50 (fifty) days Development 'A' to 'C' categories of Roads & Highways Department, 'D' class of special category of Barisal Road Circle enlisted contractor.

2 (two) Construction of 2x20'0" long 1 RCC box culvert on 16th km of Mahilara-Chhogram-Kotalipara Road under Barisal Road Division during 1999-2000 year 33,97,255/- 67,945/- 50 (fifty) days Development **do**

3 (three) Construction of 2x20'0" long 1 box culvert on 13th km of Mahilara-Chhogram-Kotalipara Road under Barisal Road Division during 1999-2000 year 33,97,255/- 67,945/- 50 (fifty) days Development **do**

4 (four) Construction of 2x20'0" long 1 RCC box culvert on 14th km (14/1) of Mahilara-Chhogram-Kotalipara Road under Barisal Road Division during the year 1999-2000. 33,97,255/- 67,945/- 50 (fifty) days Development **do**

5 (five) Construction of 2x20'0" long 1 RCC box culvert on 18th km of Mahilara-Chhogram-Kotal