

DPRK to get 200,000 tons of ROK fertiliser

SEOUL, May 6: South Korea will ship 200,000 tons of badly needed chemical fertiliser to North Korea ahead of their first ever summit in June, government officials said Saturday, reports AP.

South's decision to meet one-fourth of the North's total fertiliser shortfall was seen as a gesture to help facilitate talks when the leaders of the rival Koreas meet in the North Korean capital of Pyongyang June 12-14.

The summit between South Korean President Kim Dae-jung and North Korean leader Kim Jong Il would be the biggest diplomatic breakthrough in half a century of confrontation.

Struggling to boost its farm production, the hunger-stricken North seeks fertiliser and other economic aid from the outside world.

Dunham-Bush VP due today

Phu Boon Hock, Vice President of Dunham-Bush International, a reputed worldwide manufacturer of air-conditioning products, will be on a four-day visit to Bangladesh today to meet the local clients and consultants.

This was announced by the Managing Director of Alook Refrigeration Co. Ltd, the distributor of Dunham-Bush International in Bangladesh.

During his visit, Phu is expected to meet the top professionals engaged in similar trade and discuss matters of mutual interest.

Unemployment in Germany declines

BERLIN, May 6: German unemployment fell to around four million in April from 4.14 million the month before, a trade union official who sits on the board of the Federal Labour Office said yesterday, reports Reuters.

"I expect it to be around four million," Ursula Engelen-Kefar, deputy head of the German Trade Union Federation (DGB), told Reuters.

She said the figures, to be released on Tuesday, would show a smaller fall from March to April than occurred between those two months a year ago. Then the headline jobless total fell by 143,000, official data show.

Ballpark unemployment figures often leak to the media before publication, but it is generally the case that the exact jobless total does not become public until the eve or morning of its official release.

Engelen-Kefar's prediction of four million jobs was above a consensus forecast of analysts polled by Reuters who saw April unemployment at 3.951 million and who forecast the jobless rate at 10.1 per cent.

ADB meet begins with focus on poverty alleviation Asian nations agree on closer monetary cooperation

CHIANG MAI, Thailand, May 6: Asian nations in a breakthrough towards closer monetary cooperation, agreed in principle today to come to each other's aid in the event of a future currency crisis, reports Reuters.

Finance ministers from the 10 members of the Association of South East Asian Nations, meeting with their counterparts from China, Japan and Korea, agreed to beef up an existing agreement to pool part of their hard currency reserves for use in defending a currency that comes under speculative attack.

The aim of the so-called "Chiang Mai Initiative" is to avert a repeat of the currency crises that swept Asia in 1997, which brought economies across the region to their knees when foreign investors suddenly withdrew their money, triggering devaluations and forcing interest rates higher.

A communiqué said the "ASEAN plus three" group, which met during the Asian Development Bank's annual meeting, had asked the ASEAN secretariat to work out details of the scheme, which its backers hope will lead one day to a fully fledged Asian Monetary Fund.

Japan first proposed an AMF in the wake of the 1997

crisis but the idea was shot down by the United States and Europe, which feared it would undermine the International Monetary Fund.

Analysts called the reserves-pooling plan an important token of political intent by Asia's disparate governments but said it would have to overcome major technical and practical hurdles to have any impact on financial markets.

"No amount was discussed," Thai Finance Minister Tarrin Nimmanaheminda, told a news conference. "Future implementation would depend upon further studies on modalities and mechanisms by the ASEAN secretariat."

Xinhua in an earlier report says: The Asian Development Bank (ADB) opened its 33rd Annual Meeting of the Board of Governors here today with concentration on the poverty reduction in the region, reports Xinhua.

At the opening session of the meeting Tadao Chino, President of ADB, pointed out the overarching goal for Asia and the Pacific and for ADB should be to reduce poverty.

He said that reducing poverty is a "multidimensional challenge," including attaining

pro-poor, sustainable economic growth, social development, good governance, globalisation, ensuring technology not to widen the gap between the haves and have-nots, ensuring productivity increase in the real sectors and checking environmental degradation.

He vowed ADB has resolved to confront the challenge squarely and is taking an integrated approach to fight against poverty.

He also praised the faster-than-expected recovery in 1999 in the crisis affected countries, saying "Asia's developing economies have once again become major contributors to global growth."

However, he warned this recovery must not blur the lessons of the past three years.

He said Asia's recovery sustainability is greatly dependent on a commitment to persevere with structural reforms.

"ADB stands ready to help its developing member countries accelerate and complete the reforms," Chino said.

Thai Prime Minister Chuan Leekpai, Thai Finance Minister and chairman of the board Tarrin Nimmanaheminda also delivered speeches.

Some 3,000 representatives from the bank's 58 members,

including finance ministers, central bank governors and officials from banks and international financial institutions are attending the three-day meeting.

They all expressed satisfaction over Asia's unexpected rapid recovery from the crisis, and warned against complacency.

The Board of Governors, the ADB's highest policy-making body, comprises one representative from each member country and meets annually.

The board elects the Board of Directors every two years. During the meeting, the bank also holds seminars on issues ranging from poverty reduction and the international financial architecture to the global networked economy.

With 42 of its members from the Asian and Pacific region, the bank engages in a wide range of social and economic development activities aimed at improving the welfare of the people in the region.

In 1999, the ADB rededicated itself to the fight by adopting a new poverty reduction strategy that rests on three pillars: pro-poor, sustainable economic growth, social development and good governance.

Thailand may do more to cut bad loans

CHANG MAI, May 6: Further measures to cut bad loans in the Thai banking system could be taken if necessary, but there are no plans yet to do so, Finance Minister Tarrin Nimmanaheminda said Saturday, reports AP.

Thailand's high level of bad banking loans, currently around 38 per cent of total outstanding lending, are a drag on investor confidence in the country and have slowed a much-needed expansion in credit growth to stimulate recovery from the Asian economic crisis of 1997.

Tarrin, attending the annual meeting of the Asian Development Bank, noted the government has taken numerous measures to reduce bad-loan levels and recapitalise ailing banks over the past three years.

These have included closing ailing financial institutions, new bankruptcy procedures, and the creation of so-called asset management corporations to separate the management of problem loans from on-going banking operations.

"I think we can get through without further measures, and the trend is that they are going down," Tarrin said.

Tarrin stressed that the market should interpret his statement that the government is able to tap additional measures to reduce problem loans in the banking system as a signal that they are in fact needed.

Even so, he acknowledged that the process hasn't been "satisfactory."

Part of the problem, he explained, is Thailand's insistence that there should be a "final resolution" to cleaning bad loans out of the banking system rather than using public funds to buy them up.

Cisco to buy ArrowPoint

SAN JOSE, California, May 6: Internet equipment provider Cisco Systems Inc. is buying technology company ArrowPoint Communications Inc. in a \$6.1 billion stock deal to help it better able to handle routing Web traffic, reports AP.

Cisco said it hopes to use the Acton, Massachusetts, company — which went public in March — to deliver enhanced services to its customers and help speed up the delivery of content such as Web pages over the Internet. Cisco said it expects the market to grow to \$2 billion by 2000.

The No. 1 maker of computer-networking equipment will exchange 2.1218 shares for each share and option of ArrowPoint, a company that has established itself as a leader in making software for the Web traffic-management field and which has seen its stock soar in the few weeks since it went public at \$34 a share.

The deal announced Friday is Cisco's second-most expensive purchase behind last fall's \$7.7 billion purchase of Cerent Corp., which makes equipment for routing phone calls and Internet traffic through fibre-optic lines.

Cisco has been on a buying spree recently, purchasing several companies while investing in others in a bid to solidify its dominance in the computer networking market. Its goal is to provide complete Internet equipment solutions for businesses both large and small as well as companies that handle Web traffic for other businesses.

Ammar Hanafi, Cisco's head of business development, said the company decided to buy ArrowPoint because it has established itself in the past three years as a clear leader in software that balances the workload of computers doing Web operations.

"We really want to build the Web of the future," Hanafi said, "and ArrowPoint has established itself as the fastest way to do that."

UN Commission survey reveals

West Europe set to register highest growth since '90

BOBB, May 6: For the first time since 1990, Western European economies are expected to grow by more than three per cent on average this year, according to a survey by the United Nations Commission for Europe, reports IPS.

This growth is being fuelled by a rapid expansion of exports within Europe and to the so-called emerging markets in the developing countries "where the rate of economic expansion is also forecast to accelerate," says the Commission in its "first 2000 Economic Survey of Europe" released Wednesday in Geneva.

The report expectedly does not provide any details about the economic prospects of developing economies. But it explains that such a favourable export performance will contribute to the strengthening of domestic demand within the European countries.

The stronger growth of domestic demand, however, will lead to a rising demand for imports and the change in real net exports should be broadly neu-

tral in its effect on economic growth in 2000," adds the UN Commission.

Among the four major economies, France and Britain are likely to develop the strongest cyclical momentum, but growth is also accelerating in Germany and Italy, where the business climate improved markedly in early 2000.

Italy, nevertheless, is expected to continue to grow more slowly than most of the other west European countries. The rate of economic expansion will remain quite strong in the smaller west European economies.

Higher levels of economic activity in western Europe will not only feed through to employment but should also lead to a further decline of the unemployment rate, says the Commission.

Schroeder told a May Day rally in Hannover Monday that his government was committed to getting unemployment "well under 3.5 million" before the next countrywide parliamentary election end of 2002.

Despite some recent improvements, unemployment in Germany is still officially at 4.1 million.

The UN Economic Commission for Europe has good news also for the central and eastern European countries.

"The short-term prospects for the transition economies at the beginning of 2000 are now considerably better than they were in the middle of last year," says the European Economic Survey.

The report explains: Both domestic conditions, notably the recovery of output and the improvement in domestic demand, and the external environment dominated by the cyclical upturn in western Europe are much republics, although here the prospects are more favourable than they were in 1999.

After a much better than expected outcome in 1999, The Commission also expects growth to continue in Russia and the other former Soviet Republics, "although here the prospects are more uncertain."

RHD Notice Inviting Tender

Inviting Sealed Tender Notice

No. B. D. Form No. 2911

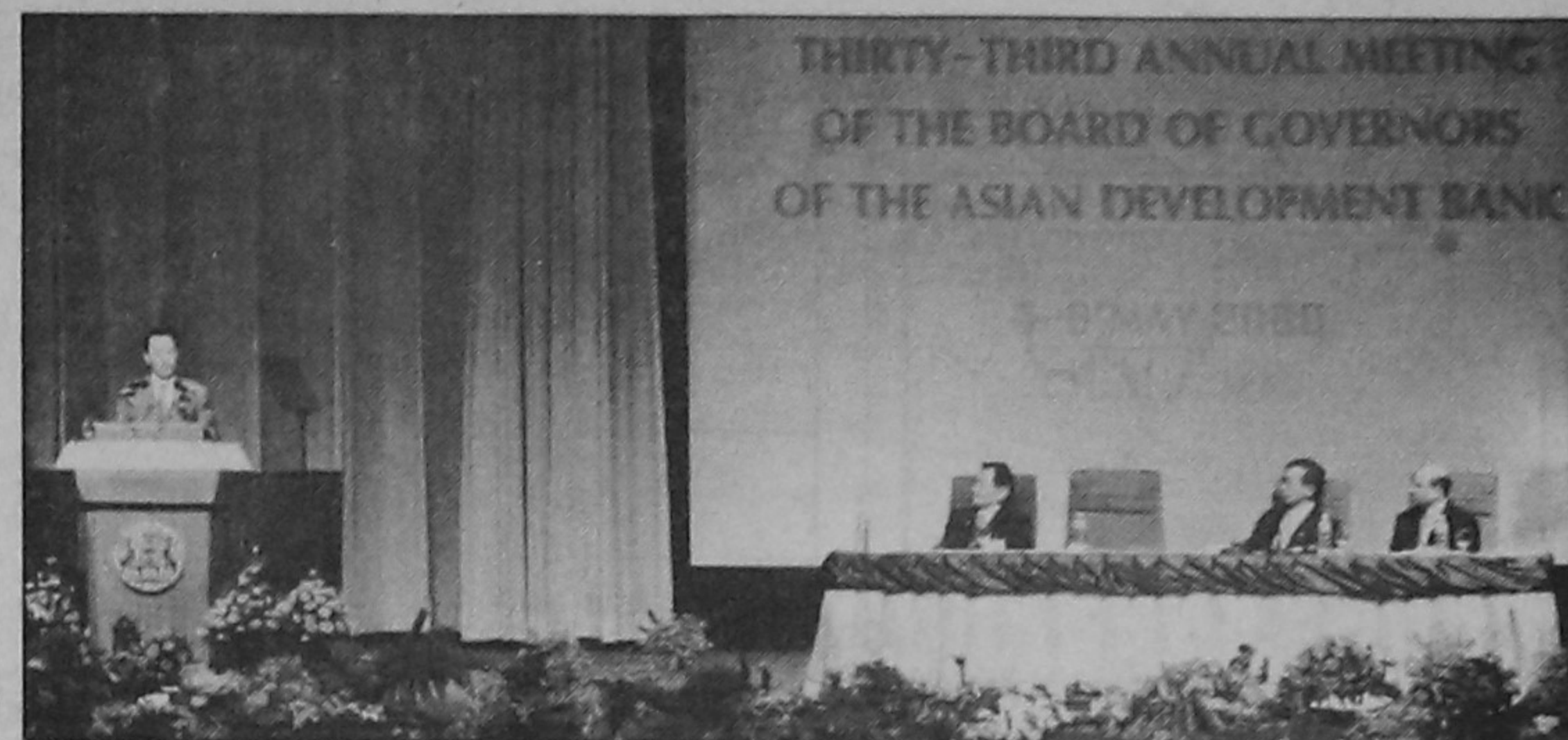
1. Tender Notice : 257/RDG of 1999-2000.
2. Name of work : Providing Brick pavement (H.B.B) work and by water bound macadam with seal coat at 6th K. M. (P), 9th K. M. (P), 12th (P), 14th (P), 16th (P) on Salna-Razendrapur-Kapasia Road under Gazipur Road Division during the year 1999-2000.
3. Estimated cost : Tk. 4,62,367/-
4. Earnest money : Tk. 9,250/-
5. Eligibility of contractor : 'A to E' general category of RHD enlisted.
6. Time allowed : 15 (Fifteen) days only from the date of issue of work order.
7. Name of the offices : Offices of the Ex. Engr. RHD, Road Divn. Gazipur/Dhaka/Manikganj/Munshiganj/Narayanganj/Norshingdi/Planning & Design. Divn., Dhaka Zone, Dhaka/S. D. E. RHD, Road Sub-Divn., Tongi/Joydebpur.
8. Name of the office, so received tender bids : Offices of the Superintending Engr. RHD, Dhaka Road Circle, Dhaka/Planning Monitoring & Evaluation Circle, Dhaka Zone, Dhaka/Ex. Engr. RHD, Road Divn., Gazipur/S. D. E. RHD, Road Sub-Divn., Tongi/Joydebpur.
9. Last date of time of selling of tender documents : 15-5-2000 during offices hours.
10. Last date of receipt of tender : Up to 12-30 PM on 16-5-2000.
11. Date & time of preparing list of tender received by the respective receiving offices : At 12-45 PM on 16-5-2000 The sealed envelopes shall not be opened by the respective receiving office. Those will be opened in this office after collection all tender papers from all the receiving offices on 18-5-2000 at 10-00 AM.
12. Date of Lottery : At 1-30 PM on 18-5-2000.
13. Head of account : 168-RBF/266-CA.

Mohammed Bayazid
Executive Engineer, RHD
Gazipur Road Division
Gazipur

DFP-10424-2/5
G-842

Syed Ahmad Hakkani
General Manager (Well Service)
&
Convener, Auction Committee

DFP-10364
G-834



Thai Prime Minister Chuan Leekpai (L) addresses the opening ceremony of the 33rd Asian Development Bank (ADB) annual meeting yesterday. ADB participants started their three-day meeting as major topics of the conference will include poverty alleviation efforts and an attempt to reinforce the bank's soft loan facility. — AFP photo

Enormous progress made on new trade round: Moore

BUDAPEST, May 6: World Trade Organisation (WTO) chief Mike Moore said yesterday "enormous" progress had been made towards a new world trade round since last year's disastrous WTO meeting in Seattle, reports AP.

He also admitted that the organisation had to do more to win over critics, although he dismissed many anti-globalisation protests as a simply "frustration with the modern world."

"We have made enormous progress in the implementation since Seattle. There has been a lot of mellowing in positions," he told a press conference during the 33rd World Meeting of the International Chamber of Commerce (ICC) here.

A key concern of the WTO was "how to win the hearts and minds of people" to setting up global rules. "Of course, we need to put our case better. We also have to listen to our critics more. We have nothing to hide," he said.

But he played down anti-globalisation protests, one of which was held in downtown Budapest with some 200 environmentalists late Thursday.

"I think a lot of the protests are just anger and frustration with the modern world... I do not see it as a threat. ... I see it as an opportunity to make their case," he said.

He also welcomed moves towards bringing China into the WTO.

"By committing China to world trade rules, it will enhance market-based reforms and strengthen the rule of law. The force is within China. There are small windows and confidence is building," he said.

He also tried to send a message of reassurance that the WTO would not try to act as a global government and would respect its members' sovereignty.

"We should not try to assume the responsibility of governments of cabinets. We give simply the gift of opportunity. What nations do to take that opportunity, how they manage to get their tax rights, how they manage their health systems... is really their business," he said.

Euro gains, yen falls against dollar

NEW YORK, May 6: The dollar edged lower against the euro and several other currencies Friday despite strong US economic data. But it rose against the Japanese yen and British pound, reports AP.

In New York trading, the euro was quoted at 89.79 cents, up from a late rate of 88.99 cents on Thursday, when it sank to an all-time low of 88.45 cents during trading.

The dollar also fell to 1.7307 Swiss francs from 1.7387 and to 1.4913 Canadian dollars from 1.4976 late Thursday.

But the US currency rose to 108.34 Japanese yen from 108.20 yen late Thursday and gained ground against sterling, which fell to 1.5274 from \$1.5418.

Currency analysts said traders largely shrugged off a new economic report that raised the probability of a US interest rate increase when the Federal Reserve meets May 16. Traders instead adjusted their holdings in advance of the

weekend.

"Anytime you have come as far as we have seen against the euro, there is a partial retracement on Friday," said Greg Anderson, financial economist on the currency desk at Fleet Bank in Boston. "I'm surprised the backup is as small as it is."

The euro sank to new lows earlier in the week in what traders said reflected a lack of confidence in the ability of European authorities to take meaningful action to stimulate the economy and make investment there attractive. The euro is the single currency of 11 European nations and has been trading since January 1999.

The long-term trend is that the euro is going to weaken as far out as you can see until something changes," Anderson said.

A Labour Department report Friday said that the US unemployment rate fell to a 30-year low of 3.9 per cent last month amid stronger-than-expected job growth of 340,000 fanned speculation that the Fed will

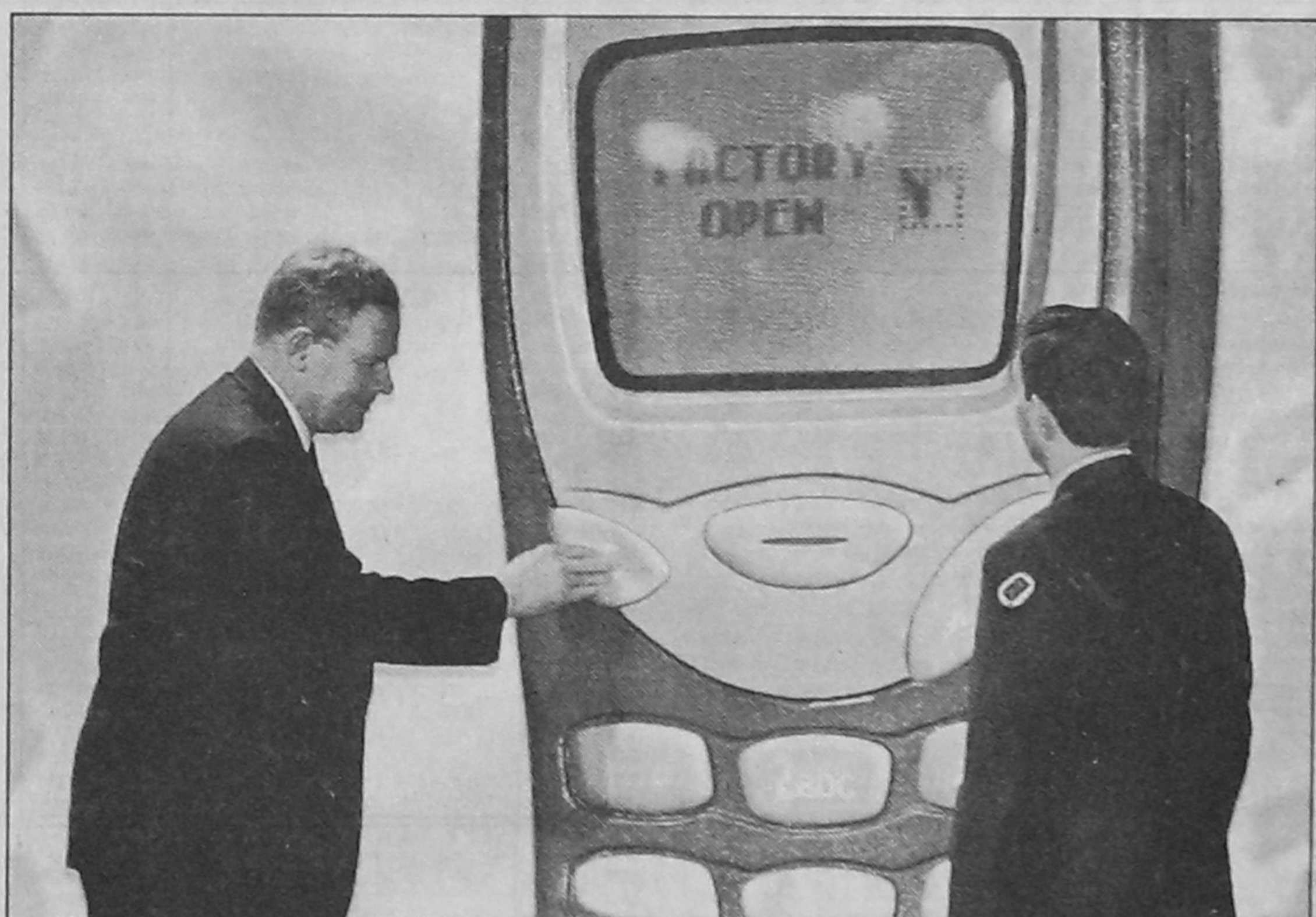
raise rates by as much as one-half percentage point to curb growth and head off a resurgence of inflation.

Adding to the inflation concerns was a 0.4 per cent rise in average hourly earnings in April. That was twice as fast as many analysts anticipated.

While an increase in US interest rates would normally boost the dollar, Anderson said currency traders are also starting to worry that a large rate hike could lead to a dramatic economic slowdown which could discourage investment here and hurt the dollar.

"That's in the back of the market's mind," he said.

Currencies of the 11 countries participating in the euro are no longer traded separately and are tied to the euro by a fixed rate. Based on Friday's euro rate, the dollar was worth: 2.1790 German marks, down from 2.1965; 7.3079 French francs, down from 7.3666; and 2.157.16 Italian lire, up from 2.174.49.



Finnish Prime Minister Paavo Lipponen (L) pushes a button of a giant mobile phone of Nokia during the opening of a new factory of Finnish Nokia Co in Komarom, northern Hungary, Friday. Lipponen is on an official visit to Hungary. — AFP photo

US unemployment rate falls to 30-year low

Pressure on Fed to raise rate aggressively

WASHINGTON, May 6: The US unemployment rate fell to 3.9 per cent in April, the lowest rate in 30 years, the Labour Department said yesterday in a report that puts pressure on the Federal Reserve to raise interest rates more aggressively, says Reuters.

Payrolls outside the farm sector rose by 340,000 in April, with job creation boosted by the hiring of 73,000 workers for this year's Census. That compared with upwardly revised gains of 458,000 in March, a reporting period instead of the usual four-week period.

Economists polled by Reuters had expected payrolls to grow by 358,000 in April and the unemployment rate to dip to 4.0 per cent to 4.1 per cent in March.

The drop in the unemployment rate below 4 per cent and continued wage pressure shown in the report pushed US Treas-

surv bond prices down and economists said this would be a focus for Fed policymakers when they meet on May 16.

"It is a major worry to them because one of the things that the Fed has been persistently worried about for some period of time now is the tightness in the labour market and how that will play out in wage inflation," Tim O'Neill, chief economist with Harris Bank/Bank of Montreal, told Reuters Television.

The Fed has raised interest rates by a quarter percentage point five times since last June to try to cool the red-hot US economy. It has repeatedly said it is concerned that employers may be forced to pay higher wages — a situation which could fan inflation.

Even before the release of the data, a growing number of economists expected the Fed to take a more aggressive monetary policy position at its next

meeting by raising interest rates by half a percentage point. With the unemployment rate now at a low level not seen since January of 1970, that sentiment will likely gather steam.

But a series of speeches from Fed officials on Thursday seemed to indicate that policymakers have yet to agree on the need for more aggressive interest rate hikes.

Several Fed officials, including San Francisco Fed President Robert Poole appeared to urge continued caution in interest rate policy, arguing that they need to see more sustained evidence of rising inflation pressures before adopting a more aggressive policy.

More key data will be released before the Fed meets. The Commerce Department releases retail sales for April next Thursday, a good gauge for consumer demand — something the Fed sees as too strong.