

Decline signals crisis recovery BIS lending to Asia falls below LatAm

BASEL, Switzerland, May 12: The Bank for International Settlements (BIS) said today that lending to Asia fell in the second half of 1999, bringing it below levels outstanding to Latin America for the first time in seven years, says Reuters.

The decline signals a recovery from the problems which hit many Asian countries starting with the devaluation of the Thai baht currency in 1997.

The drop "must be seen in the context of Asia's cumulative current account surpluses and a re-flow of foreign portfolio and direct investment, which have largely obviated the need for bank lending," the BIS said in a half-yearly report on international banking activity.

Banks in 18 major industrial countries reporting data to the BIS had \$ 6.86 trillion outstanding in terms of international loans to all countries at the end of 1999, up about one per cent from \$ 6.78 trillion at end-June.

The rise was due to loans to developed nations, up nearly two per cent at \$ 5.43 trillion from \$ 5.33 trillion.

Those to developing countries including Asia, Latin America and Eastern Europe fell about three per cent to \$ 784 billion from \$ 809 billion.

Asia's international borrowings alone fell by six per cent to \$ 271 billion at the end of December from \$ 287 billion at the end of June.

The cutback in claims on developing countries was most pronounced in Asia and inter-

national banks' outstanding exposure to this region is now lower than to Latin America for the first time in seven years," the BIS said.

"BIS reporting bank exposures to Asia have fallen by about 30 per cent since the peak of \$ 391 billion reached in mid-1997 with (South) Korea, Thailand and Indonesia accounting for most of this decline," the BIS added.

The BIS also said one striking development has been the pronounced shift away from interbank lending in favour of lending to the public and non-bank private sectors in Asia.

International bank claims on Asian banks alone fell to 30 per cent of overall outstanding loans at the end of December from 44 per cent at mid-1997.

The BIS did not elaborate on the reasons. But one explanation might be a major restructuring of the banking sector in Asia still underway.

The BIS also said that Japanese banks continued to retreat from lending to the rest of Asia, with exposures to that region dropping to less than a quarter of their total claims from a peak of 48 per cent at the end of 1988.

"Therefore, European banks appear to be gaining a larger share of a shrinking pie," the BIS said.

Statistics released by the BIS showed Japanese banks with a total of \$ 271 billion in claims outstanding to Asian countries at the end of December, up 24 per cent of total lending.

Japan govt upgrades its economic assessment

TOKYO, May 12: Japan on Friday slightly upgraded its general economic assessment, saying improvements were led by growing activity in the corporate sector, says AP.

The Economic Planning Agency said the economy was improving at a "modest pace," but personal consumption and capital spending — the two main pillars of private demand — were unchanged.

"Signs are gradually emerging, primarily in the corporate sector, of a self-sustaining recovery," the EPA said in its monthly report.

The agency's pronouncements are closely watched by businesses and economists as key indicators of government thinking on the state of the economy.

One sign of improvement in the corporate sector was 1.4 per cent rise in industrial production from January to March compared to the same quarter a year ago, the report said.

The agency emphasized that industry surveys estimated industrial production would rise another 1.3 per cent in May af-

ter slipping 1.0 per cent in April.

Japan is fighting to overcome a decade-long economic downturn. The economy fell back into recession late last year after a short period of uneven growth. Unemployment is at a record high of 4.9 per cent.

There are signs of hope, however. Many corporations have restructured over the past year, and industrial activity has begun to show signs of perking up.

The government has also tried boosting the economy through massive injections of public money.

Takashi Omori, the EPA's director of domestic economic affairs, cited growing inventories at companies as a sign that businesses are "stocking up in a forward-looking manner."

Personal consumption, however, continues to suffer from flagging incomes, while capital spending is expected to be lower than year-earlier levels for the January to March quarter, Omori said.

WB, Samsung sign partnership agreement

WASHINGTON, May 12: The World Bank and the South Korean conglomerate Samsung Corporation on Thursday signed a partnership agreement under which they will exchange specialists to share experiences in promoting growth in less developed countries, says AFP.

A bank statement said the alliance reflects an interest by both the World Bank and the company to involve the private sector in the eradication of poverty through economic development.

"This first-ever staff exchange by the bank with a Korean corporation, in this case Samsung, is sure to be a win-win arrangement," said World Bank president James Wolfensohn.

The bank will benefit from corporate Asia-Pacific knowledge and Samsung will gain from our global development perspective,"

Under the agreement, Samsung will send a private sector specialist to the World Bank and the bank will send a financial expert to Samsung under the bank's staff exchange programme.

Samsung is the 85th corporation to work with the bank under the programme.

IUB executive development programme ends

Star Business Report

The two-day executive development programme on "interpersonal skills" organised by the Continuing Education Centre of Independent University, Bangladesh (IUB) ended at the university campus in the city on Thursday, says a press release.

The training programme was designed and conducted by Shalini Lal, a training expert and founder of a training institute called "Infinity" in Mumbai, India.

Participants from various national and multinational companies attended the programme.

SM Al-Husainy, Chairman of Swanirvar Bangladesh and member of Education, Science, Technology and Cultural Development Trust (ESTCDT), the founding trust of IUB, gave away certificates to the participants at a simple ceremony.

The function was attended by the vice chancellor, senior officials and faculty of the university.

Seminar on e-commerce

Meanwhile, IUB's Extension and Continuing Education Centre (ECEC) also arranged a one-day seminar on e-commerce.

The seminar focussed on the process, prospects, problems and benefits of e-commerce. It also discussed the steps which are needed to take full advantage of on-line business.

Engr AR Azimul Hoque, Director of Information Services Network (ISN) and part-time faculty of IUB, conducted the seminar.

It was attended, among others, by Dr Bazlul Mobin Chowdhury, Vice Chancellor, members of the faculty, members of the Education, Science, Technology and Cultural Development Trust (ESTCDT).

Tenders will be opened at 02:00 PM on the date of receiving tender in presence of the tenderers or their representatives (if any).

Schedule of tender will be available at the office of the Chief Accounts Officer of Dhaka WASA, WASA Bhaban, 98, Kazi Nazrul Islam Avenue, Dhaka and all MODS Zone offices of Dhaka WASA upto 22/05/2000. Other details will be available at the office of the undersigned.

Address: WASA Bhaban

98, Kazi Nazrul Islam

Avenue, Dhaka

WASA-P:157/2000

DFP-10988-8/5

G-888

33

Auction Tender Notice

Dhaka WASA

পানির অপচয় বন্ধ করন।। ম্যানহোলের দাকনা চুরি রোধ করন।।

Tenders are invited from Dhaka WASA as well as Govt, Semi-Govt and Autonomous organisation enlisted 1st, 2nd & 3rd class supplier contractors/bona fide suppliers/interested purchasers for the undermentioned work.

Name of work

Date & time of receiving tender

23/05/2000

up to 12:00 Noon.

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