

# KL won't respond to IMF call for ending capital controls

KUALA LUMPUR, Aug 11: Malaysia will not respond to International Monetary Fund calls to alter its fixed exchange rate and to lift the ceiling on interest rates, a finance ministry official said Friday, reports AP.

The IMF's prompting to end an economic upswing to pad the effects of removing the currency's peg to the dollar will go unheeded, at least for now, said the official, speaking on condition of anonymity.

The IMF was entitled to its views and Malaysia's government would take note of these, but none of them would be deliberated in public, he said.

In its annual review of the Malaysian economy, released in Washington DC Thursday, the IMF commended authorities for

guiding the Southeast Asian country out of the Asian financial crisis into a period of renewed growth.

But it urged Malaysia to continue to phase out capital controls, and look into the possibility of moving away from an exchange rate system that pegs the ringgit to the US dollar.

However, there was no consensus among IMF directors on whether such a step should be taken now, with some among the 24-member IMF board advising against a "premature move toward exchange rate flexibility," the report said.

The Asian financial crisis unfolded in 1997 and 1998, Malaysia's Prime Minister Mahathir Mohamad spurned IMF advice that he should float the

ringgit and accept IMF funds to help combat currency weakness.

Instead, he implemented a series of capital controls which have since mostly been rolled back to halt capital flight and protect the ringgit, which was pegged at 3.8 to one US dollar.

"On the exchange rate, directors consider that Malaysia's strong external position provides the authorities with the opportunity to consider greater flexibility in the management of the exchange rate regime," the IMF report said.

The ringgit appears to be somewhat undervalued relative to economic fundamentals. If the undervaluation were to persist over an extended period, it could be incompatible with maintaining low inflation, lead to inefficient

resource allocation and attract speculative capital inflows," the Fund added.

Mahathir and his finance minister, Daim Zainuddin, have said repeatedly there was no compelling cause for Malaysia to alter or remove the peg, which has fueled the country's export growth.

Malaysia's real gross domestic product, led by exports, recorded a 5.5 per cent growth in 1999 and has maintained its momentum so far this year. The manufacturing sector expanded by over 13 per cent in 1999 led by buoyant exports in the electronics sector.

Analysts expect the economy to grow by more than 7 per cent this year, before slowing down a bit in 2001.

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## Five-day CDF training course concludes

A five-day CDF training course on financial sustainability and alternative financing for savings and credit programme was held at its premises. Senior officials from 21 partner organisations took part in the course, says a press release.

CDF is working for the promotion and development of the microfinance sector and is involved in creating an enabling environment so that a microfinance NGOs can carry out their operations effectively. It facilitates free flow of information and serves as a conduit of channeling information to NGOs. CDF is enhancing the competencies of 60 small and medium MFIs gradually so that they can provide appropriate and adequate financial services to the poor.

The objectives of the training course was to enable the participants to determine feasibility of income-generating projects, calculate the rate of service charge/interest rate of savings and credit, measure and control the delinquency of portfolio, find out sources of alternative financing, take necessary steps for financial sustainability as financial performance analysis of the microfinance programmes.

The course was conducted by SM Rahman, Director, and coordinated by AKM Nurul Islam, coordinator, training. Abdul Hye Mridha and Shawpam Kumar Saha were the facilitators of the course.

At the end of the course, Khandker Zafar Hossain, Executive Director, CDF, distributed certificates among the participants.

## Oil prices soar on concern over low US stocks

LONDON, Aug 11: Oil prices roared higher yesterday to end within a stone's throw of \$31 amid mounting concern over US fuel stocks now languishing at 24-year lows, says Reuters.

Prices were given further upward momentum by signs that OPEC kingpin Saudi Arabia was not initially offering major oil companies extra supplies in September as it had done this month.

London's Brent crude futures ended 98 cents stronger at \$30.85 bringing gains since Monday to more than \$2.

US benchmark crude futures soared to end 85 cents stronger at \$31.20.

Dealers in London said that heavy fund buying on both sides

of the Atlantic and whopping gasoline gains in New York also added fuel to the fire.

NYMEX gasoline ended over four cents stronger at 92.50 cents a gallon.

Oil shot higher after some oil majors said that Saudi Arabia had cut initial September supplies compared with final August volumes, which were bolstered by extra barrels issued late in July.

Major customers said they were still confident that extra Saudi barrels could be offered later.

"We've still got lots of time left on September," an oil executive said. "I won't be at all surprised if the Saudis allocate us extra barrels later this month."

OPEC has an official output ceiling of 25.4 million bpd, supplying roughly a third of global demand of 76 million bpd.

Saudi Arabia, the world's largest crude exporter, pledged in early July to add a further 500,000 bpd to supplies to cool overheated prices.

Riyadh failed to win backing for its proposal for a third collective OPEC output hike but was believed to be going it alone by discreetly leaking extra barrels to the market.

## New privatisation law in Pakistan next week

KARACHI, Aug 11: Pakistan will approve a new privatisation law on Wednesday to kick-start the long-delayed sale of state-run units, Finance Minister Shaukat Aziz said yesterday, reports Reuters.

"In the cabinet next Wednesday we will have the privatisation ordinance for approval, that is the whole privatisation plan, to give legal cover to the whole process," he told a conference.

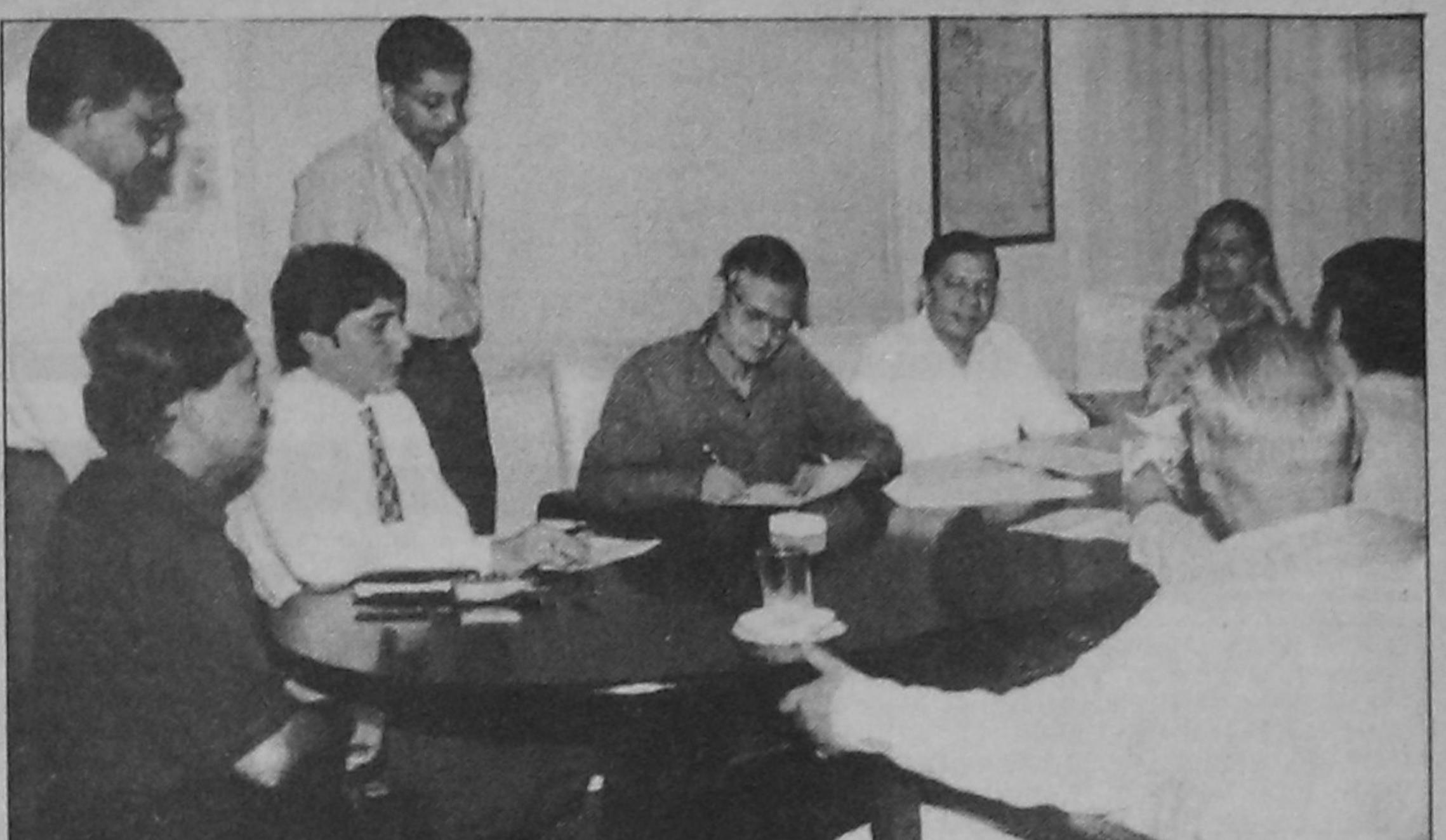
He said the chairman of the state Privatisation Commission will give details of the plan next Thursday.

Privatisation officials have said in the past that they expect to net \$4 billion from the sale of some 70 state-owned units under a proposed privatisation programme spread over three years.

The military-led government, which took power following an army coup in October, says it will revive the privatisation programme for state-run companies in telecom, oil and gas, fertiliser and banking sectors.

The programme has seen little progress since Pakistan began a fight with mostly foreign-backed independent private producers over tariffs to be paid to them and conducted nuclear tests in 1998.

Analysts expect the economy to grow by more than 7 per cent this year, before slowing down a bit in 2001.



MIDAS Financing Limited (MFL) recently sanctioned a working capital loan of Tk 40 lakh to Kumudini Handicrafts, a subsidiary of Kumudini Welfare Trust of Bengal (BD) Ltd. (KWTB). An agreement was signed in this connection recently. Abdul Karim, Managing Director of MFL, and Rajib Prashad Shah, KWTB Managing Director, signed the agreement on behalf of their respective companies. --MFL photo

## UK Chancellor defends gold sales

LONDON, Aug 11: Selling gold reserves is the best way to achieve a better-balanced portfolio, UK Chancellor Gordon Brown, defending a British government programme to sell gold, told an industry magazine, says Reuters.

"The gold sales are part of a prudent technical restructuring of the gold reserves to achieve a better balance in the portfolio by diversifying more widely," Brown said in the World Gold Council's (WGC) Gold Magazine.

The gold industry-funded WGC and other critics of Britain's sales programme, which aims to reduce reserves from 715 tonnes to 300 tonnes in a series of auctions, say the sales have hit both British coffers and the gold price.

"Gold continues to play an important role in the UK's reserves, but the restructuring will mean that the next reserves will not be as overexposed to gold as they have been in the past," Brown said.

The WGC estimated that sales of gold at a time when the price is low and cross currency trading volumes and valuations are fluctuating every day cost the government almost 25 million sterling.

But Brown said it was misleading

## UAE oil firm to invest \$1.7b in India

LUCKNOW, India, Aug 11: A United Arab Emirates oil company on Friday signed an agreement to invest \$1.7 billion in India's most populous state for laying a gas pipeline and setting up a gas-based 2,000 megawatts power plant, reports AP.

The entry of oil major Al Manhal will be the biggest investment in the northern state after Daewoo Motors' four years ago. The project is expected to develop the state's backward eastern region.

The Uttar Pradesh state government, Al Manhal and its joint venture partner in India, Vavasi Oil and Gas, signed the agreement in Bombay, India's financial capital.

Uttar Pradesh state's population is 140 million, Lucknow, the state capital, is 450 kilometres (280 miles) southeast of New Delhi.

The UAE company will lay a 1,000-kilometre-long (625-mile-long) gas pipeline from the eastern Indian coastal state of Orissa to eastern parts of Uttar Pradesh state. It will also set up a gas-based power plant in the area to ease a severe power shortage in the region.

## South Africa to speed up privatisation

PRETORIA, Aug 11: South Africa pledged yesterday to speed up the privatisation of state-owned assets to meet the government's 2004 deadline, paving the way to unlock billions of rand worth of assets, reports Reuters.

Finance Minister Trevor Manuel said the restructuring and partial privatisation programme could raise in more than the budgeted 21 billion rand in revenues in the next three years.

The government previously forecast the programme would generate five billion rand this year, six billion next year and 10 billion rand the year after for state coffers.

"This will clearly be exceedingly conservative.... We are looking at the upping of those numbers," Manuel said.

The government initially estimated gross proceeds of 12 billion rand (\$1.7 billion) annually from the process between 2000 and 2004, with net proceeds of six billion rand a year.

The accelerated programme is designed to achieve sustainable economic and social goals. The main elements of the process are expected to be completed by the end of 2004," Public Enterprises Minister Jeff Radebe told a news conference.

But the long-delayed privatisation blueprint released on Thursday did not include the detailed timetable which financial markets were looking for. Nevertheless, the rand, bonds and stocks were little moved as markets digested the news.

The timing and value of transactions are subject to local and global conditions. No country in the world that values its integrity

had exposed its hand in a potentially volatile investment environment," Radebe said, explaining the lack of a detailed timetable.

He said the revised strategy would focus on the country's big four groups -- defence firm Denel, telecoms utility Telkom, power utility Eskom and transport group Transnet -- which have an estimated combined asset value of 150 billion rand.

The four are central to a privatisation programme started in 1996 and represent 91 percent of total state assets, 94 per cent of net income and 77 per cent of all public sector employees.

Radebe, a member of the South African Communist Party's (SACP) central committee, said job losses would be inevitable. "It is generally agreed that the immediate impact of restructuring may involve some employment losses."

Critics say privatisation is now a year behind schedule. The process had been delayed since May to allow the government to consult with stakeholders, including the powerful Cosatu labour federation which forms part of the South African government.

"There is no fundamental difference. We have had meetings with their (Cosatu's) leaders....these issues have been dealt with," Radebe said.

Cosatu welcomed the revised blueprint but said it lacked plans on job creation.

"It misses the opportunity to position state-owned enterprises in a way that could address national priorities such as employment creation and rolling out services to the poor," the labour congress said in a statement.

## Government of the People's Republic of Bangladesh

Project for Introducing Double Shifts and Extension in Selected Secondary Schools  
(Government & Non-Government)  
Secondary & Higher Education Directorate  
Bangladesh, Dhaka

Memo No: Double Shift/06/2000/149

Dated: 02/08/2000

## Tender Notice for Purchasing Jeep

Tenders in sealed envelopes are invited from bona fide sole agent/supplier/traders for purchasing the undermentioned jeep for a project titled "Introducing Double Shifts and Extension in Selected Secondary Schools (Government & Non-Government)"

Description Number Time for Supply  
Five door petrol-fuelled 4WD Jeep 01 Within 15 days from the date of issue of work order

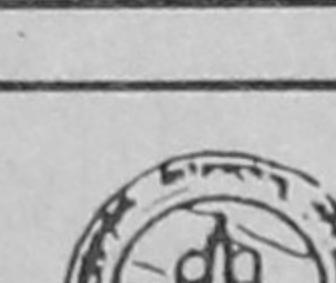
Detailed description of item will be available in the tender schedule. Tender schedule and terms and conditions can be procured by submitting the application written in the letterhead pad of establishment by depositing Taka 750/- (seven hundred fifty) in favour of the Project Director of a project titled "Introducing Double Shifts and Extension in Selected Secondary Schools", Secondary and Higher Education Directorate, Bangladesh, Dhaka in the account head no-1/2531/5580/2681 through Treasury Challan in Bangladesh Bank and enclosing the original copy of challan from 14/08/2000 to 17/08/2000 on all working days from the office of the Project Director, Shikha Bhaban, 5th floor, Room No 619 and Senior Assistant Secretary (Development), Ministry of Education, Section-6.

Tenders will be received in the reserved box (on the 5th floor) of the Ministry of Education and Senior Assistant Secretary (Development), Ministry of Education, Section-6 and tenders will be opened on the same day at 12:30 pm in the office chamber of the undersigned (if anyone remains present). 2% (two per cent) of the quoted cost as the earnest money in the form of Bank Draft from any scheduled bank in favour of the Project Director of a project titled "Introducing Double Shifts and Extension in Selected Secondary Schools (Government and Non-Government)"

The authority will not be obliged to accept the lowest tender and reserves the power to accept or reject any tender or all tenders without assigning any reason.

**Md Mahbubur Rahman**  
Project Director  
Introducing Double Shifts in  
Selected Secondary Schools and  
Extension (Government and Non-Government)

DFP-19098-6/8  
G-1428



বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড

Bangladesh Power Development Board

## BPDB's International Tender Notice

International sealed tenders are hereby invited by the Bangladesh Power Development Board (BPDB) from the renowned manufacturers/suppliers against the following tender enquiry for supply of different type of stores:

Sl. no	Tender enquiry no & date	Name of stores	Value of T docs	Submission of T docs	Opening of T docs
1)	Pur-427/2000 dt 8-8-2000	Supply of spare parts for Barisal GT Power Station, PDB, Barisal	2000.00 Taka	25-09-2000 at 11:00 AM	25-09-2000 at 11:30 AM

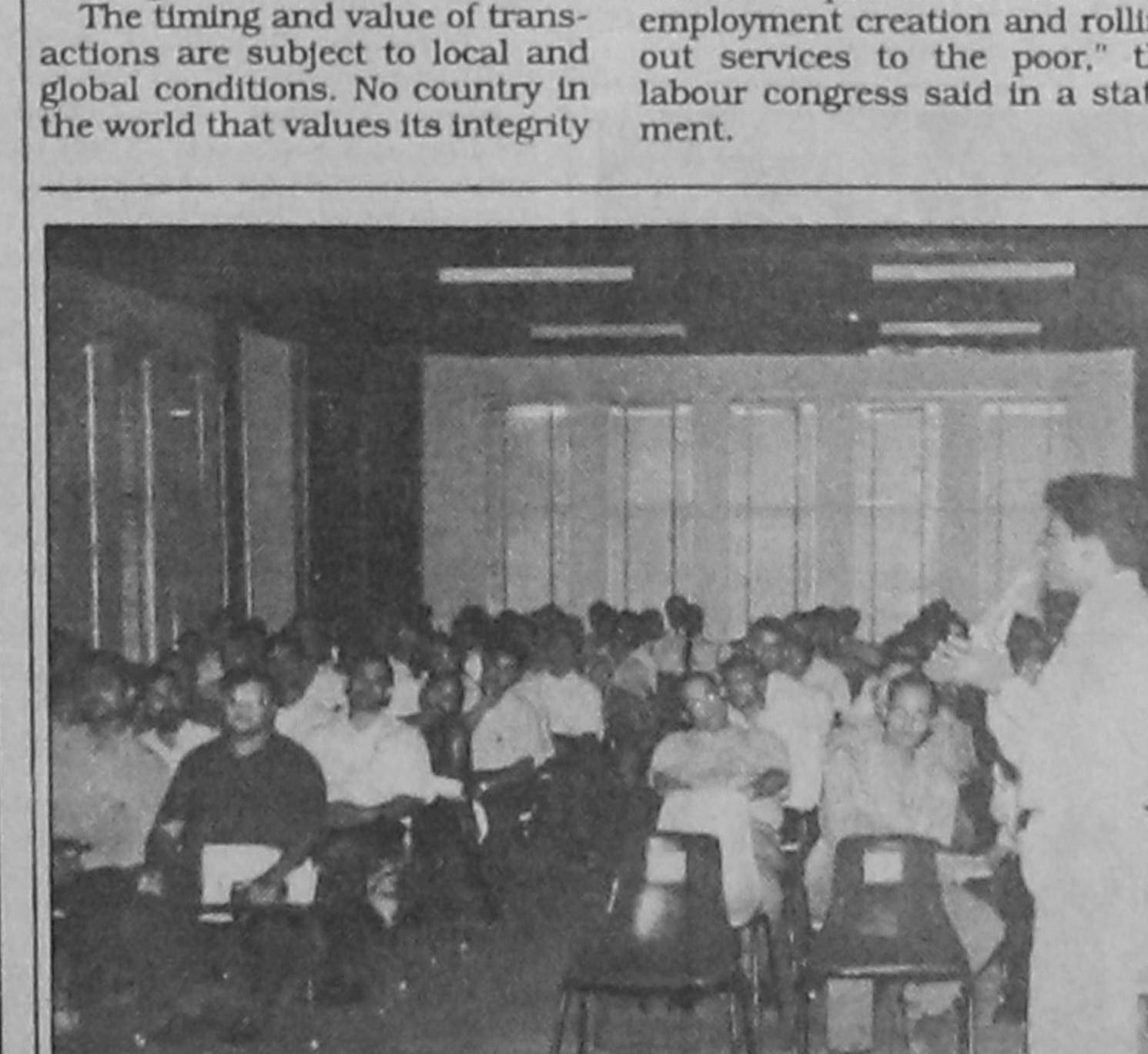
A complete set of tender documents including detailed specification, terms & conditions may be sold to the interested eligible bidders against a written application to the undersigned on payment of Taka (non-refundable) mentioned above in the shape of Bank Draft/Pay Order from any scheduled bank of Bangladesh favouring "Director of Purchase, BPDB, Dhaka." The bidding documents will be available from 17-8-2000.

All bids must be accompanied with a bid bond in the prescribed bid format @ 2% of the total bid price from a scheduled bank of Bangladesh in accordance with instructions to the bidders. Tender will be received up to 11:00 AM & will be opened at 11:30 AM on the same date in presence of the bidder or their representative, if any.

No tender documents shall be sent by post nor sold on the opening date and no Telex/Fax offer will be acceptable.

Biddut/Jana-194(5)/2000-2001  
DFP-19159-6/8  
G-1434

Director of Purchase  
PDB, Dhaka.



Grameen Software Ltd (GSL) launched its own software at Grameen Bank Bhaban auditorium Saturday. GSL's existing and prospective buyers were present on the occasion. Picture shows Monsurul Amin, programmer, addressing the queries of the invited guests.

--GSL photo

Director of Purchase  
PDB, Dhaka