

WB-IMF meetings begin with protesters taking to street

PRAGUE, Sept 26: Protected by metal barriers and hundreds of security police, global finance leaders opened their annual meeting Tuesday with the head of the World Bank saying he shared the "passion" of the demonstrators fighting poverty, reports AP.

With protesters taking to the streets to gripe about what they called economic terrorism, the International Monetary Fund and World Bank summit opened without incident.

Delegates had to pass hundreds of white-helmeted police guarding the perimeter of the conference centre, which is connected to downtown by a single bridge. The police blocked the bridge with water cannons and bus loads of security reinforcements as those on guards watched from the cliffs surrounding the site.

In his opening remarks, World Bank President James Wolfensohn took note of the thousands of protesters parading through Prague's cobblestone streets.

"Outside these walls, young

people are demonstrating against globalization," he told delegates. "I believe deeply that many of them are asking legitimate questions, and I embrace the commitment of a new generation to fight poverty. I share their passion and their questioning."

Wolfensohn conceded that the IMF and World Bank had a "lot to learn" in how to improve their efforts to combat poverty and indicated the two giant multinational lending agencies, headquartered in Washington, were ready to listen.

"I believe that we can move forward only if we deal with each other constructively and with mutual respect," Wolfensohn said.

Both Wolfensohn and IMF Managing Director Horst Koehler called for greater action to lift the living standards of the world's poor, focusing on better education and health care.

Koehler called on rich countries to lower their trade barriers on exports of farm goods and other products from poor countries, saying this could mean US

\$100 billion annually in extra sales by poor nations.

"Greater access to industrialised country markets is key in the fight against poverty," Koehler said, praising recent decisions by the United States and the European Union to lower their trade barriers to poor nations.

US Treasury Secretary Lawrence Summers told delegates he supports the reforms being undertaken by the IMF and World Bank to streamline their lending practices and provide greater openness on their decision-making processes.

In a reference to the forces of anti-globalisation, Summers said moving in that direction would be a setback for efforts to lift billions of people out of poverty.

"There can be no single development today with greater potential to set back the prospects of the world's poorest than a rejection of the goal of successful global economic integration," Summers said.

Wolfensohn said that the processes that were tying the world more closely together economically cannot be stopped.

"We cannot turn globalisation back. Our challenge is to make globalisation an instrument of opportunity and inclusion not of fear and insecurity," Wolfensohn said. "Time to realize that we live together in one world, not two. This poverty is in our community, wherever we live. It is our responsibility."

While protesters had managed only a few hundred people at most of their preliminary demonstrations over the weekend and Monday, police said 5,000 had turned for the opening of the three-day annual meetings, chanting "Stop the economic terror now" and waving banners that proclaimed, "Make love not trade."

Deviating from the strategy protesters employed in Seattle in December and Washington in April, the activists did not try to stop delegates from getting into the meetings. Instead, they have vowed to form human chains outside to block delegates from leaving the giant conference center.



Orvel Ray Wilson, President, The Guerrilla Group, USA (second from right) came to Bangladesh as a guest speaker for Business Without Borders' seminars organised by the Pan Pacific Sonargaon Hotel, Dhaka, in association with FICCI and other co-sponsors. Wilson handed over a cheque for Tk 50,000 to the General Manager of the Pan Pacific Sonargaon, Hans G Winsnes, at a Foreign Investors' Chamber of Commerce and Industry (FICCI) monthly meeting recently. Wali Bhuiyan, President of FICCI, is also seen in the picture. The money will be donated to the Friendship Foundation, the floating hospital of Bangladesh.

--Sonargaon photo



M Azizul Islam, Director, Development Research and Policy Analysis Division of ESCAP, called on Dewan Sultan Ahmed, Acting President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at Federation office yesterday. They discussed about FBCCI's participation in the regional preparatory seminar for 3rd global conference on LDC's to be held during November 13-15 in Dhaka. FBCCI Director Abdul Haque and M Aynul Hasan, Chief of Least Developed Countries Section of ESCAP, are also seen in the picture. Mohammad Ali Sarkar, Director, FBCCI and Manzur Ahmed, Director, DOCCI, were present during the discussion.

--FBCCI photo

India to consider oil price hike next month

NEW DELHI, Sept 26: India will consider raising the domestic price of petroleum products after by-elections on September 29, an official said yesterday, reports Reuters.

"Any announcement before the end of voting on Friday would amount to a breach of the conduct code issued by the Election Commission," said the official.

The commission's rules forbid the government announcing any policy decisions which impact directly on the electorate.

Elections are being held for a parliamentary seat in as many states.

The official, who did not want to be identified, said the delay would also give time to consider the recent fall in global crude prices while deciding the increase.

Oil Minister Ram Naik said last week that a price hike will be announced by end September to

reduce the growing oil pool deficit.

Crude prices moved down on Monday after US President Bill Clinton authorised on Friday the release of 30 million barrels from the Strategic Petroleum Reserve (SPR) during October.

London Brent futures dropped \$1.05 to \$30.20 a barrel on Monday, having fallen \$1.48 Friday.

India's oil pool deficit -- the result of a cross subsidy scheme that compensates firms for selling some products below cost has been worsening because of rising crude prices since start of this year.

Though global prices have been on the rise since early this year, consumer prices have remained unchanged in India since end March, leading to an increase in the oil pool deficit.

At an average price of \$30 a barrel, the deficit is estimated to

touch 236 billion rupees (\$5.13 billion) by March 2001, Naik said last week.

The officials said prices of all five controlled products -- petrol, diesel, aviation fuel, kerosene and LPG for cooking -- would be increased to offset the growing deficit.

The remainder of the deficit will be made up for by cuts in customs/excise duties, issue of bonds to state run oil firms, and a refund of 44.29 billion rupees transferred to a federal account from the oil pool account between 1982/83 and 1988/89 fiscal years.

India currently incurs a subsidy of 5.30 rupees per litre on diesel, 171 rupees per 14.2 kg cylinder on LPG cooking gas, 8.20 rupees per litre on kerosene, and 2.65 rupees per litre on aviation fuel.

Exim Bank earns Tk 2m operating profit in 5 months

Export Import Bank of Bangladesh Limited (Exim Bank) has earned an operating profit of Tk 2.06 million from its five months' operation in the year 1999.

This was disclosed in the 1st annual general meeting of the bank held at a city hotel on Thursday, says a press release.

Md Nazrul Islam Mazumder, Chairman of the Bank, presided over the meeting.

In the meeting, the annual accounts of the bank for the year ending December 31, 1999 was unanimously adopted. The bank also procured a deposit of Tk 1344.24 million.

Alamgir Kabir, FCA, Advisor of the bank, apprised the shareholders of its policies. Mohammed Lakotullah, Managing Director of the bank, highlighted bank's operational performance with the optimism that it would cut a good figure in the year 2000.

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Asian currency intervention threat still exists: Analysts

SINGAPORE, Sept 26: Contained intervention by leading industrialised nations to boost the ailing euro last week is giving Asian central banks a break, but analysts said it might be a matter of time before they feel the need to act on their currencies, says Reuters.

There have been signs recently, explicit or subtle, that some regional central banks might be bringing their hands over high oil prices and sliding currencies.

Currencies across the region, which trended downward for several weeks on concerns over the impact of oil prices and the euro, rebounded slightly following Friday's surprise intervention by the Group of Seven (G7) industrialised nations.

But analysts dismissed the market reaction as knee jerk. With sentiment for the dollar remaining strong and more people betting against Asian currencies due to political and economic uncertainty, they could soon head towards levels that would prompt the authorities to react.

They might not need to be in the market at this point. But I would not rule out the possibility," said Chia Woon Khien, chief executive of SEB Merchant Banking in Singapore.

Normally, there are three conditions that prompt central banks to act when currencies drop below certain target levels, when the pace is out of sync with others in the region, and when domestic factors lead to specula-

tive actions. These risks are still very prominent," she said.

Taiwan's central bank, frequently in the market for smoothing operations, has been particularly vigilant in the past few weeks to support the currency which is hurt by outflows and poor sentiment brought about by uncertainty over the tech sector.

"I don't pay attention to what officials say. Before the central bank intervened in may when the baht was around 39, they had said the same thing. With political uncertainty intensifying, the intervention risk is very much there," he said.

The bank says it has not been in the market since last week, but adds it does not rule out the possibility in the future.

In Thailand, government officials have sent mixed signals to the market recently on currency intervention.

Worries about potential intervention kept the Sling dollar above the key psychological 1.7500 level after briefly dipping below that mark on Friday for the first time since July 24.

Singapore manages its dollar against a trade weighted basket of currencies, using the exchange rate as a tool to fight inflation in its open economy.

With inflation as measured by price of imported manufactured goods surging to nearly 10 per cent, some analysts reckon the government might soon act to curb inflation before it reaches consumer prices.

Danish aid for Bangladesh agri sector to continue

Danish Ambassador in Dhaka Finn Thilsted has assured Bangladesh of his country's continuous contribution to the development of agriculture sector in Bangladesh, says BSS.

During a meeting with Agriculture Minister Begum Motia Chowdhury in the city yesterday, Thilsted discussed all bilateral issues between the two countries and gave special emphasis on the agriculture sector and coordinated food production to meet the demands of ever-increasing population in Bangladesh.

Denmark has been financing different technical cooperation projects by Tk 370 crore with policy and planning support for Land Fertility Development, Land Resources Management, Integrated Pest Management and Seed Development in Bangladesh.

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Contradicting remarks notwithstanding, there have been signs the authorities are growing concerned about the macro picture.

Some economists forecast that if the baht fell below 43 per dollar, the government's inflation

target of 2.5-3.0 per cent for this year could be breached.

Last week, the central bank was in the market to check for rates and monitor who's involved in major transactions. I think they were quite edgy," said a European bank dealer in Bangkok.

"Last week, the central bank adopted a hands off policy on the baht since floating it in July 1997. But it has intervened in the market occasionally to smooth out volatility.

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Despite limitation in arable lands, we have been able to set a positive trend for meeting the food demand of our increased population," she said with an appeal to the Danish government to provide help towards Bangladesh's efforts to ensure navigability, preservation of irrigation water and river dredging for flood control.

Under the new deal, the carri-

Taiwan, Philippines sign new air agreement

TAIPEI, Sept 26: Taiwan and the Philippines signed a new aviation agreement Tuesday, ending a yearlong dispute that cut air links between the two neighbours who once enjoyed cordial relations, says AP.

The new agreement effectively gives Taiwanese airlines what they wanted: A total 9,600 passenger seats a week and the right to transport people and cargo from Manila to third countries via Taipei.

The Philippines had accused Taiwan of poaching passengers and demanded that Taiwanese carriers China Airlines and EVA Airways reduce their weekly quota of seats. When Taiwan refused, Manila unilaterally scrapped a 1996 air agreement with Taipei in October and both sides severed air links.

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"I supposed you can say we yielded to their conditions," said Rodolfo Reyes, executive director of the de facto embassy in Taipei. "We had no choice."

Chang Yu-hern, director general of Taiwan's Civil Aeronautics Administration, said the most contentious issue was Taiwan's right to take passengers to third destinations, known in the aviation industry as the "sixth freedom right."

"This was a very important aspect. Now the sixth freedom right is clearly stipulated in the new agreement," Chang told reporters after the signing ceremony.

The grant agreement will be used in the implementation of Agro-based Industries and Technology Development Project Phase-II under the Ministry of Agriculture.

Exchange Rates

American Express Bank Ltd. foreign exchange rates (indicative against the Taka to clients)							
Currency	Selling TT & OD	Currency	Buying TT Clean	Buying OD Sight	Buying OD Export Bill	Buying OD Transfer	
US Dollar	54.2500	54.2800	53.8150	53.6970	53.6250		
Pound Sig	79.0694	79.1131	77.8595	77.6888	77.5847		
Deutsche Mark	24.6809	24.6946	23.6438	23.5919	23.5603		
Swiss Franc	31.4220	31.4393	30.7989	30.7314	30.6902		
Japanese Yen	0.5071	0.5074	0.4979	0.4964	0.4962		
Dutch Guilder	21.9047	21.9168	20.9843	20.9383	20.9102		
Danish Krone	6.4037	6.4073	6.2782	6.2645	6.2561		
Australian \$	30.3800	30.3963	29.0332	28.9695	28.9307		
Belgian Franc	1.1966	1.1973	1.1463	1.1438	1.1423		
Canadian \$	36.8621	36.8825	35.8122	35.7337	35.6858		
French Franc	7.3590	7.3630	7.0497	7.0343	7.0248		
Hong Kong \$	6.9703	6.9742	6.8870	6.8719	6.8627		
Italian Lira	0.0						