

# Foreign pressure for sweeping Japanese reform on rise

TOKYO, Oct 29: With Japan's recovery from a decade of stagnation still in the balance, the drumbeat of foreign pressure for sweeping regulatory and pension reforms that would improve the efficiency of the economy are growing ever louder, says Reuters.

The European Commission, the International Monetary Fund and US Vice President Al Gore's economic advisers last week all urged Japan, for its own good, to quicken the pace at which it exposes its still heavily protected economy to competition.

There is a general agreement that regulatory reform is necessary and that it's going to be a fundamental tool to get the Japanese economy back to full speed," Fernando Valenzuela, a senior European Commission official, said on Friday.

Valenzuela, the deputy director-general for external relations at the European Union's executive arm, told reporters following a round of talks in

Tokyo that he had not met anyone in the government who openly disagreed with the need for reform.

But, like countless others before him, Valenzuela expressed frustration at the glacial pace of change. "As happens so often, to translate these general political will into specific decisions and specific bills is not self-evident," he said.

The result, according to the Commission, is a tangle of red tape and restrictive practices that deter foreign investors and would-be entrepreneurs alike.

Start-ups in France and Germany, for example, account for 11 per cent of economic output compared with just 4.6 per cent in Japan, according to Japanese government figures cited by the EU.

Experience gained conquering markets elsewhere may count for little. French retail giant Carrefour, which is due to open its first hypermarket in Japan next month, has strug-

gle to persuade suppliers to sell directly to it instead of through the middlemen of the LDP's free-spending ways, reformers in the ruling party sense – or at least hope – that the time for change is ripe.

Smaller government and deregulation are the key words – if we pursue the present policies, someday a debt crisis will become a real thing," Koichi Kato, who makes no secret of his ambition to be prime minister, told the Financial Times.

What scares economists is that Japan, with the largest gross debt burden of any industrial country, will need to cut its big budget deficit and at the same time tackle the consequences of a shrinking workforce and a grossly underfunded pension system.

New studies by the IMF project that Japan's largest pension system for private employees will run out of funds unless action is taken to cut benefits or raise contributions in the next couple of years.

In return, it has shielded them from foreign competition by shelling out subsidies and public works contracts and curbing imports of everything



Farid A Choudhuri, Deputy Managing Director of the Green Delta Insurance Co Ltd, hands over a cheque for Tk 4.47 crore to Sultan Ahmed, Managing Director of M/s. Mother Textile Mills Ltd, Dhaka, to settle a claim against M V Eliza cargo loss. The ship caught fire and sank in the Bay of Bengal. Green Delta subsequently settled claims amounting to Tk 5 crore as aggregate due to this mishap.

– Green Delta photo

## Jalil opens 10th Mercantile Bank branch in Gazipur

BOARD BAZAR (Gazipur), Oct 29: Commerce Minister Abdul Jalil said here today that money lending organisations especially the banks could contribute to the socio-economic development apart from earning profit, says BSS.

The minister was addressing a function on the occasion of the opening of the 10th branch of Mercantile Bank here.

The commerce minister said the banks will have to take up programmes to create employment opportunities and develop skilled manpower to sustain in the competitive market.

Jalil said the banks should play their due role in increasing the domestic savings rate by taking banking facilities at the doorstep of the rural people.

Acting chairman of the bank DR Toufiq Rahman Chowdhury presided over the function which was addressed, among others, by Ahsanullah Master MP, Chief Adviser of the bank and former governor of Bangladesh Bank Lutfar Rahman Sarker and Managing Director of the bank M Taheruddin.

## BSRS corporate branch opens at Karwan Bazar

Bangladesh Shilpa Rup Sangstha (BSRS) has opened its 2nd commercial banking branch (corporate branch) at 12 Karwan Bazar in the city.

The branch was inaugurated by Dr AHM Habibur Rahman, Chairman of the Board of Directors of BSRS, at a simple ceremony yesterday, says a press release.

The inaugural ceremony was attended, among others, by Md Youssuf Ali Howlader, Managing Director of BSRS.



Commerce Minister Mohammad Abdul Jalil inaugurates the 10th branch of Mercantile Bank Limited at Board Bazar in Gazipur yesterday.

– Mercantile Bank photo

## Malaysian budget inadequate to boost economic recovery

### Analysts call for steps to push growth move

KUALA LUMPUR, Oct 29: Malaysia's 2001 budget sets the nation on the road to becoming a knowledge-economy but falls short of measures to boost growth in the immediate term, economists and businessmen say, reports AFP.

The 91.05 billion ringgit (23.9 billion dollar) budget, unveiled in parliament Friday, is a "mixed bag" with little impact on the economy and insufficient measures to attract much needed new investments, they say.

Some economists have

voiced concern over the size of Malaysia's fourth successive deficit budget, projected at 16.14 billion ringgit or 4.9 per cent of gross national product.

They say the official forecast of 7.0 per cent gross domestic product (GDP) growth in 2001 surpasses the market's average expectation of 6.5 per cent.

GDP is now forecast to grow by 7.5 per cent this year, up from an earlier estimate of 5.8 per cent.

The announcement of the mild and uninspiring budget is expected to cap a stock market run, which has risen by 7.1 per cent in the past three weeks.

Overall, the market is disappointed that there were no personal and corporate tax cuts, and that the 10 per cent exit levy on profits was not totally scrapped, analysts say.

The levy was removed only for profits repatriated after one year.

But Rating Agency Malaysia defended the deficit spending, saying it was necessary to balance out slower global economic growth expected next year and to set the foundation for the knowledge-economy.

It said a new 500-million-ringgit venture capital fund, higher budget allocation and tax incentives would help to crowd in private investment in information technology.

Analysts have

## Road Division, Patuakhali Corrigendum Notice of Tender

Ref: Tender Notice No PRD of 09/2000-2001 Circulated vide Memo No 28/3 dated 10-10-2000.

Name of : Extension of Labukhali ferry approach road (Barisal end) at 26th KM ferry ghat on Barisal-Patuakhali Road under Barisal Road Division during the year 2000-2001.

This is general information for the enlisted "A" to "D" general category contractors of RHD that for unavoidable circumstances corrections have made in the notice under reference as follows:

- Estimated cost : Tk 14,45,347/- instead of Tk 14,09,682/-
- Earnest money : Tk 28,907/- instead of Tk 28,194/-
- Last date & time of selling the tender : Up to 7-11-2000 during office hours instead of 30-10-2000.
- Last date & time of receiving the tender : Up to 12.30 PM on 8-11-2000 instead of 30-10-2000.
- Date and time of opening the tender box : At 12.45 PM on 8-11-2000 instead of 30-10-2000.
- Date and time of opening the tender : At 11.00 AM on 13-11-2000 instead of 1-11-2000.
- Date & time of lottery : At 11.00 AM on 15-11-2000 instead of 5-11-2000.

All other terms and conditions etc of the tender will remain unchanged. This corrigendum notice will be a part and parcel of the tender, will be issued free of cost and to be submitted along with the tender.

Md Abdul Bari

Executive Engineer RHD (CC)  
Road Division, Patuakhali.

## BCIC Tender Notice

বিসিআইসির পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

The Managing Director, Zia Fertilizer Company Limited, Ashuganj, Brahmanbaria invites sealed tender in two-envelope system for procurement of Sewing Thread against Tender No. CM/Store/378/2000. Tender schedule may be purchased on payment of Tk. 400/- only from (i) ZFCL, Ashuganj, (ii) BCIC, 30-31, Dilkusha C/A, Dhaka and (iii) BCIC Branch Office, 6, Agrabad C/A, Chittagong. The tender should be dropped within 22/11/2000 up to 11:30 AM at ZFCL & BCIC Head Office and will be opened just after closing the tender. No tender document shall be sold on the date of opening.

BCIC-973-24/10/2000  
DTP-25958-25/10  
G-1898

Khairul Anam  
General Manager (Commercial)  
for Managing Director.

## BCIC International Tender Notice

বিসিআইসির পণ্য শিল্পায়নে জাতীয় অগ্রগতির প্রতীক

St. General Manager (Purchase), BCIC, BCIC Bhaban (12th Floor), 30-31, Dilkusha C/A, Dhaka invites sealed quotations against Tender Enquiry No PUR-3.1611/2000-2001 dated 22-10-2000 for Import of 1000 MT-Sodium Sulphate (Salt Cake) Anhydrous on C&F (C) Chittagong on liner term basis under cash foreign exchange. Offer shall be received up to 11:00 AM on 20-11-2000 and be opened immediately thereafter. Tender documents with detailed terms and conditions will be available on payment of Tk 500/- per set (non-refundable) from (I) Controller of Accounts, BCIC, BCIC Bhaban (2<sup>nd</sup> Floor), Dhaka and (II) Sr General Manager, BCIC Branch Office, 6, Agrabad C/A, Chittagong.

Earnest money is 1% (one per cent) of the total quoted C&F (C) value. No tender documents shall be sold on the date of opening and no late offer shall be accepted. The buyer reserves the right to accept or to reject any or all bids without assigning any reason thereof.

BCIC-971-23/10/2000  
DTP-25956-25/10  
G-1897

K H Rashid  
General Manager (Purchase)  
for Sr General Manager (Purchase).

## More Chinese ministers to be audited this yr

BEIJING, Oct 29: More Chinese ministers will be audited this year by the National Audit office to more effectively curb corruption, reports Xinhua.

"Our aim is to provide a reference to our cadre appointment work by telling whether a person can be appointed," Auditor-General Li Xinhua was quoted as saying by today's China Daily (Business Weekly).

The economic duty audit focuses on three aspects – whether the official has properly fulfilled his or her economic duties, whether he or she has caused losses by violating financial regulations and whether he or she has broken any law.

Li said that many financial problems could be avoided if

officials properly used their power and carefully fulfil their duties.

China introduced the economic duty auditing system in 1998 in an effort to curb rampant corruption and losses of State assets due to negligence.

The system was first practised among officials at or below the county level. Nearly 85 per cent of the nation's counties had launched the auditing of party and government officials. And nearly 84 per cent of the counties had implemented such auditing of state-owned enterprise leaders.

Auditing was expanded to the officials above the county level and even at the ministry level this year.

## Outsiders may run airports, nat'l assets

### 'New Malaysia' courts foreign investors

KUALA LUMPUR, Oct 29: Malaysia's move to allow foreigners to buy strategic assets such as airlines and cars marks a policy shift in a nation that has turned its back on world markets since 1998, reports Reuters.

Finance Minister Dain Zamuddin, who unveiled the move in his 2001 budget on Friday, said the government may even consider allowing foreigners to run airports and other national assets.

Two years after Malaysia buried foreign investors with strict capital controls – its answer to the 1997-1998 financial crisis – the country is now eager to have them back.

It is quite clear we are facing new realities and we have to go out there and compete aggressively for foreign money, Nazir Razak, a prominent banker, told the Star newspaper.

"Before the crisis, we had a lot of money."

Businessmen welcomed the

move to permit foreign equity in national carrier Malaysia Airline System (MAS) and national car maker Proton.

Analysts have tipped Swissair as the most likely equity partner for debt-heavy MAS.

We must compliment the government for signalling that we would allow foreign equity in major companies like Proton and MAS, said Francis Yeoh, managing director of YTL Corp.

Hardly 24 hours after the budget speech, Prime Minister Mahathir Mohamad flew to Hong Kong where he held talks with tycoon Li Ka-shing.

In a further move to appease foreign funds, Dain also reviewed capital controls and will now allow investors to take out their profits after one year without paying the 10 per cent exit levy.

## High oil hits economy

ROK industrial output growth slows to 17-month low

SEOUL, Oct 29: South Korea's industrial output grew 15.1 per cent year-on-year in September, the lowest growth rate in 17 months, as high oil prices hit the economy, reports Reuters.

The September figure for the key indicator compared to 19.3 per cent in July and 24.6 per cent in August.

The National Statistical Office (NSO) blamed slower semiconductor exports, weakening domestic demand for cars, shorter working days and having to follow strong growth last year.

We have yet to see whether an economic downturn is coming or not, Park Hwa-Soo, a senior NSO official, told reporters.

South Korea posted a 1.82 billion dollar current account surplus in September. But the accumulated surplus in the first nine months to September shrank to 7.73 billion dollars, down from 18.8 billion dollars a year earlier.

The capital account turned to deficit of 901 million dollars in September from a 193 million dollars surplus in August, resulting in a 13.08 billion dollar surplus for the first nine months.

An outflow of foreign stock funds and local financial institutions' repayments of their foreign debt resulted in a capital account deficit, the central Bank of Korea said in a statement.

South Korea made a dramatic rebound from a crisis that forced the country to take a 58-billion-dollar IMF bailout in late 1997.

## Exchange Rates

American Express Bank Ltd foreign exchange rates (mid rates) against the Taka to clients

CURRENCY	SELLING T.T. B.O.D.	SELLING B.C.	BUYING T.T. CLEAN	BUYING O.D.SIGHT EXPORT BILL TRANSFER	BUYING O.D.
US Dollar	54.2500	54.2800	53.8150	53.6070	53.6250
Pound Sterling	79.5088	79.5328	77.7411	77.5707	77.4667
Deutsche Mark	23.7073	23.7204	22.6725	22.6228	22.5025
Swiss Franc	30.1523	30.1690	30.5736	29.5087	29.4991
Japanese Yen	0.5036	0.5040	0.4900	0.4891	0.4884
Dutch Guilder	21.0406	21.0523	20.1222	20.0781	20.0512
Danish Krone	6.1548				