

# India to press ahead with tough economic reforms

## Vajpayee tells WEF-organised summit

NEW DELHI, Nov 27: Indian Prime Minister Atal Behari Vajpayee pledged yesterday to press ahead with economic reforms and cautioned that the next set of reforms required tough measures, reports Reuters.

The next generation of reforms entails difficult decisions. In implementing them, we will no doubt encounter resistance and transitional difficulties. Vajpayee told the India Economic Summit organised by the World Economic Forum and the Confederation of Indian Industry (CII).

Vajpayee did not detail the measures being planned, but India needs to move ahead on crucial labour reforms, a long-pending demand of industry.

Later, Finance Minister Yashwanth Sinha said the gov-

ernment was committed to reforms although some delays were inevitable in a democracy.

Vajpayee said the Indian economy was set for six per cent growth for the eighth year running with a modest inflation rate, comfortable foreign exchange reserves and outward looking policies.

"Supported by our strong macro fundamentals, India will continue for the eighth year in succession, to grow at (an annual rate) of over six per cent," he said.

India, hit by a manufacturing slowdown, witnessed slower growth in 2000/01 (April-March), with first quarter gross domestic product (GDP) up 5.8 per cent year-on-year, compared with 6.9 per cent a year ago.

The government had tar-

geted a growth rate of over seven per cent in 2000/01, but recent government data on industrial output showed the economy was headed for a slowdown after a steep rise in international oil prices.

India's economy grew at 6.4 per cent in 1999/2000.

Vajpayee, who urged greater overseas investment, said India had moved forward in improving its infrastructure, especially in the telecom, power and road sectors.

Ten private power generation projects were expected to tie up funding by the end of 2000/01 and the government was working towards an electricity bill to reform the sector to improve incentives for private investors, he said.

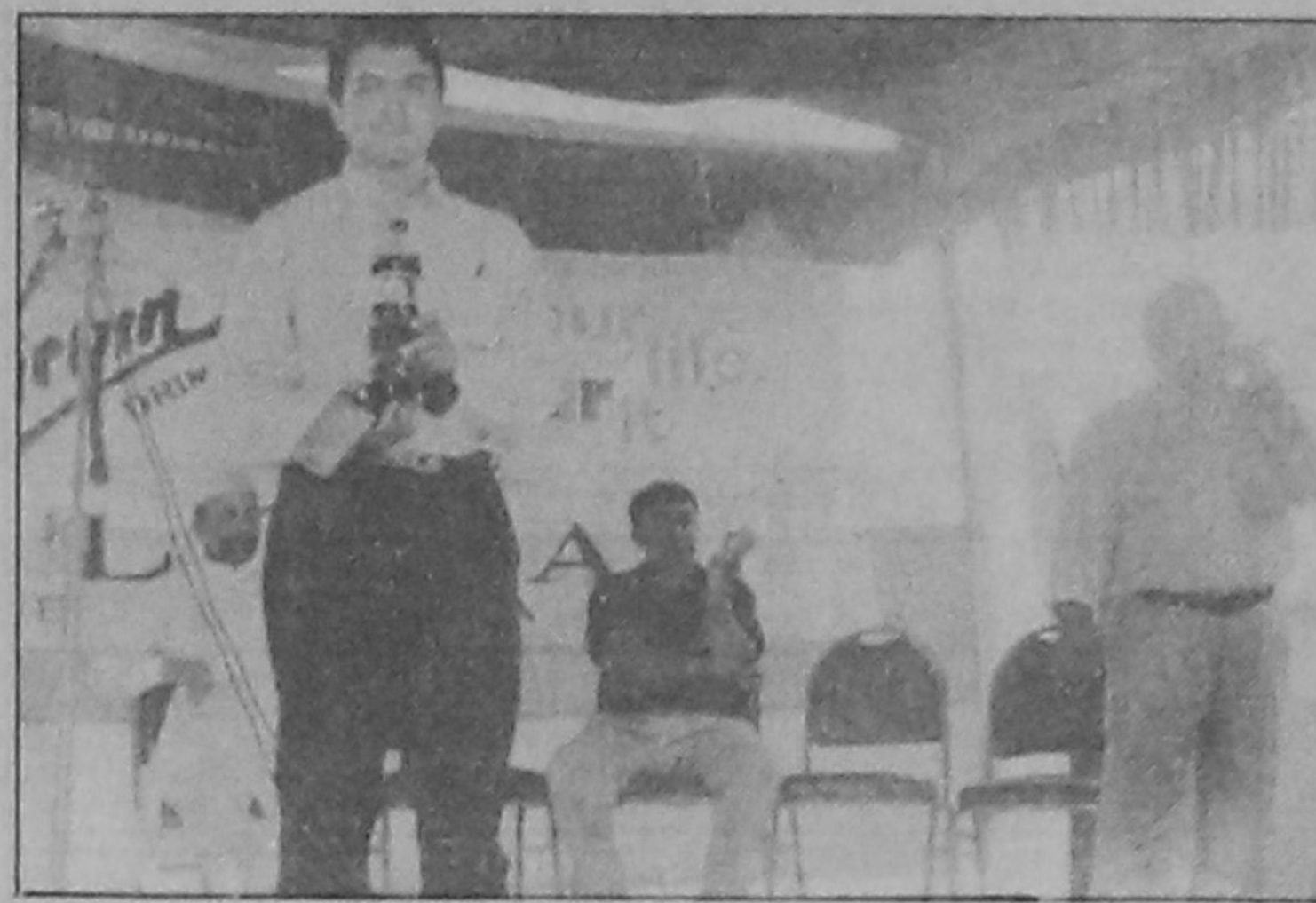
India, which invited private and foreign investment in the

sector under a nine-year-old reform programme, has been struggling to please lenders, which have sought assured payments for electricity that ailing state-run distributors would buy from independent power producers.

Vajpayee urged the domestic and foreign multinational corporations to help provide education and healthcare facilities to rural areas.

"No government can alone meet the massive challenge of providing education and healthcare facilities to every family in a billion-strong country..." Vajpayee said.

He said this partnership was essential to change the "image of globalisation" which has been criticised by non-government and activist groups.



Virgin Drinks held a seminar for its distributors at its factory premises last Thursday. The seminar was presided over by Chairman of Virgin Drinks Abul Quasem Haider. Managing Director of the company Feroze Alam was also present along with other directors. The picture shows Sayef Uddin Nasir posing with the one-liter PET bottle. - Grey photo

## Healthy Chinese growth may lead to pay hike

BEIJING, Nov 27: Chinese Premier Zhu Rongji has said government employees may receive a pay rise next year on the back of healthy economic growth, a pro-Beijing Hong Kong newspaper said on Monday, reports AFP.

Zhu told reporters in Singapore improved government revenues helped by a more robust economy may make it possible to raise the salaries of workers and officials on government payrolls, the Ta Kung Pao reported.

"Since government coffers are filling up, salaries can be raised, returning wealth to the people," the paper said.

Zhu made the comment in response to reports of Hong Kong workers' anger that they have not seen pay rises in proportion to the growth in the city's economy.

If China decides to raise salaries next year, it is likely it will be motivated as much by economic reasons as by considerations over fairness.

The government introduced a series of income-boosting measures in September 1999, raising civil servant salaries and benefits for the retired and unemployed by as much as 30 per cent.

The move was then widely interpreted as aimed at boosting consumption and in turn lifting economic growth, and so will a new round of salary increases, the Ta Kung Pao suggested.

"Higher salaries... will also contribute to increased domestic demand," the paper said.

Zhu, who had participated in a meeting of the Association of Southeast Asian Nations (ASEAN) in Singapore, said it was possible China's economy would grow by as much as eight per cent next year.

But the government will settle for a target of seven per cent to avoid over-heating the Ta Kung Pao quoted the Chinese premier as saying.

Economic growth this year, originally targeted at seven per cent, could also surpass eight per cent, Zhu said.

This is an improvement from economic growth in 1999, which at 7.1 per cent was the lowest in nearly a decade.

The reason why the government can allow itself to consider salary rises in the first place is that the improving economy is spilling over into rising government revenues, the paper said.

Last year, government revenues increased by 158 billion yuan (19 billion dollars), helped by a crackdown on smuggling that made customs revenues soar, Zhu was quoted by the paper as saying.

The increase this year could be even larger, 200 billion yuan (24 billion dollars), because of a turnaround in state enterprises, which are the government's main source of revenue, according to the premier.

## Exchange Rates

American Express Bank foreign exchange rates (indicative) against taka to clients.

Currency	Selling TT & OD	Selling BC	Buying TT Clean	Buying OD Sight	Buying OD Export Bill
US Dollar	54.2500	54.2800	53.8150	53.6970	53.6250
Pound STG	76.3786	76.4208	75.1903	75.0254	74.9249
Deutsche Mar	23.7378	23.7510	22.7083	22.6585	22.6261
Swiss Franc	30.2954	30.3122	29.7041	29.6390	29.5993
Japanese Yen	0.4898	0.4901	0.4811	0.4801	0.4794
Dutch Guilder	21.0577	21.0794	20.1540	20.1098	20.0828
Danish Krona	6.1514	6.1548	6.0317	6.0184	6.0104
Australian \$	28.8610	28.8770	27.5264	27.4660	27.4292
Belgian Franc	1.1509	1.1515	1.1010	1.0986	1.0971
Canadian \$	35.5971	35.6168	34.6077	34.5318	34.4855
French Franc	7.0778	7.0817	6.7708	6.7560	6.7469
Hong Kong \$	6.9693	6.9732	6.8860	6.8709	6.8617
Italian Lira	0.0240	0.0240	0.0229	0.0229	0.0229
Singapore \$	31.1871	31.2044	30.2247	30.1584	30.1179
Euro	46.4272	46.4528	44.4135	44.3161	44.2567
Saudi Rial	14.5034	14.5114	14.3087	14.2773	14.2582

Bill buying rates

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7512	53.3665	52.9181	52.4696	52.0212	51.1243

US dollar London Interbank Offered Rate (LIBOR)

Swaps (S)	Swaps (L)	Currency	1 Month	3 Months	6 Months	9 Months	12 Months
53.6250	54.2500	USD	6.6150	6.7475	6.7200	6.6713	6.6670
74.9249	76.3786	GBP	6.0000	6.0575	6.0188	6.0664	6.0709
Cash/TC	Cash/TC	EUR	4.8998	5.0700	5.1000	5.1275	5.1893

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Korean Won
46.832/58.050/1	43.630/1	43.630/1	3.7950/1	947	1186/1188
46.872	58.100	43.660	3.8005	9455	

## Fiji economy recuperating faster than expected

SILVA, Nov 27: Fiji's economy is showing tentative signs of recovery following a May 19 coup, interim Finance Minister Ratu Jone Kubuabola, said Wednesday in announcing the 2001 budget, reports AP.

Kubuabola, the former Fiji Reserve Bank governor, said while the coup hit Fiji hard economically, "I believe that the worst is now behind us."

There are "tentative signs" of recovery, he told business leaders.

Projections the economy would shrink by 15 per cent following the nationalist coup, which toppled Fiji's democratically elected government, have been revised. The economy is now expected to shrink by just eight per cent, he said.

A 12.5 per cent public service pay cut imposed after the coup would be lifted from December 1.

Fiji is being governed by an interim government that has pledged fresh election in early 2002.

The interim administration was installed by the military after gunmen led by rebel businessman George Speight stormed parliament and took then-Prime Minister Mahendra Chaudhry and members of his government hostage.

Speight released the last of his hostages after a 56-day standoff and is now in custody awaiting trial on treason charges.

Speight said his aim was to rein in the political and economic clout of ethnic Indians in Fiji. Chaudhry was the first member of Fiji's large Indian minority to be elected prime minister.

Kubuabola said economic damage was limited because trade sanctions threatened by some countries following the coup had not materialised.

Australia and New Zealand, Fiji's major export markets, imposed limited sanctions on the country but stopped short of crippling trade embargoes, saying they did not want to hit ordinary Fijians economically.

"We expect the economy to rebound next year by around five per cent," he said.

A budget deficit of 4 per cent of Gross Domestic Product was expected in 2001, dropping to 3 per cent the following year and 2 per cent in 2003.



An employee of Japan's electronics giant Matsushita Electric unveils the world's first mobile phone with a stamp-sized SD memory card capability at the company's head office in Tokyo yesterday. The KX-HS100 with a 64MB memory card, which enables up to 4 hours voice recording or storage for up to 4,000 e-mail messages, 900 colour images and 100 different melodies. Matsushita is expecting to put it on the domestic market next month. - AFP photo

## ADB revises down Filipino GDP growth forecast

MANILA, Nov 27: The Asian Development Bank (ADB) said it had revised down the Philippines' likely gross domestic product (GDP) growth in 2001 to 3.3 per cent from its previous forecast of 4.3 per cent, reports Reuters.

The figure was contained in ADB's Asian Economic Outlook report presented on Monday. The report showed it did not change the GDP growth forecast of an annual 3.8 per cent for this year.

Inflation forecasts stood at 6.5 per cent for 2000 and 6.0 per cent for 2001, also unchanged from its previous projection.

"With political uncertainties continuing, it's quite likely the growth will go down. Everybody can expect that," Ernesto Perina, a senior economist at ADB, told reporters.

"It could be worse. The 3.3 (per cent GDP growth) is probably on the medium variant, meaning the medium scenario. It could be better if the political scenario improves, it could worsen if the condition worsens."

Forecasts by the International Monetary Fund were more bleak.

David Robinson, an IMF as-

sistant director of research, told reporters at the ADB presentation: "We're looking at little under four per cent (in GDP growth this year). It will be falling to three per cent in 2001, a lot depends on external developments and the domestic political situation."

Political uncertainty over the fate of impeached President Joseph Estrada, accused of taking hefty bribes from illegal gambling syndicates, has damaged investor confidence and hurt the economy.

After the peso plunged to an all-time low of 51.95 to the dollar in October, financial markets are now moving sideways, waiting for Estrada's impeachment trial to start next month.

The Philippines is due to release its third quarter GDP data on Tuesday. A Reuters poll of economists showed GDP would grow an annual 3.98 per cent in the third quarter, lower than 4.5 per cent in the second quarter.

The government has said it expected GDP growth of around 4.0 per cent in 2000 and 4.0-4.5 per cent in 2001.

The ADB grouped Philippines with other countries in crisis - Indonesia, South Korea, Malaysia and Thailand - but left its 2001 GDP forecast for the four other countries unchanged.

The bank saw Indonesia's GDP growth in 2001 at 5.0 per cent, for South Korea at 6.0 per cent, Malaysia at 7.0 per cent, and Thailand at 4.6 per cent.

"Growth in 2000 was based on continued improvement in domestic demand arising from improved consumer confidence based on favourable domestic macroeconomic conditions along with a pickup in external demand arising from an expansion in world and intra-regional trade," the ADB said of the crisis-affected nations.

"In 2001, this positive trend is likely to be reversed as the global environment becomes less favourable and boom in the electronics industry moderates."

In the Philippines, private consumption was actually contributing less to growth in 2000 than it did during the Asian financial crisis.

"This is possibly due to consumers turning back into precautionary saving mode to hedge against political uncertainty and expectations of negative repercussions on economic performance."



Thai Petrochemical Industry (TPI) employees wave TPI flags during demonstration in front of Thailand's Central Bankruptcy Court in Bangkok yesterday. The employees are demanding that creditors guarantee that they will not face job losses, the company's non-core business will not be sold off and the current management will stay in place. - AFP photo

## Shipping Intelligence

### Chittagong port

Berth position and performance of vessels as on 27.11.2000.

Berth No	Name of vessels	Cargo	L Port call	Local agent	Date of arrival	Leaving
J/2	Hanjin Tampa	R.Seed	Lapa	Rainbow	13/11	27/11
J/3	Banglar Doot	Tsp/Fert	Qing	Unique	20/11	29/11
J/5	Erodios	Sugar (TCB)	Sing	CCNL	6/11	29/11
J/6	Thai Binh	Fert (NPK)	Isha	SBS	23/11	2/12
J/7	Banglar Maya	GI/Gl	Okha	BSC	19/11	1/12
J/8	Khulla	M.Seed	Mari	BSL	4/11	-
J/9	Bay Sisters	Peas (GI)	Sing	Mutual	20/11	27/11
J/11	Boxer Capt Cook	Cont	P.kei	Bdship	24/11	1/12
J/12	Tiger River	Cont	Sing	NOL	21/11	27/11
J/13	Jaramu	Cont	Sing	Cross	21/11	30/11
CCT 1	Jaya Mars	Cont	Sing	Everbest	25/11	28/11
CCT 2	Xpress Resolve	Cont	Sing	RSL	23/11	27/11
CCT 3	Qe Pintall	Cont	Sing	QCSL	24/11	27/11
RM 14	Gau-I	HR Coll	Col	BSL	20/11	25/11
RM/15	Ava	Rice(P)	Yang	MTA	30/10	29/11
CCJ	Ocean Pride	C Clink (Ruby)	Krabi	PSAL	17/11	29/11
RM/3	Serpire	CDSO	Darb	Rainbow	16/11	27/11
RM/5	Saucon	Hsb	Sing	MSTPL	24/11	27/11
DOJ	Banglar Jyoti	C Oil	-	BSC	R/A	27/11
DD/1	Bright Sea	Idle	Krab	MBL	11/11	29/11
DD/2	Dea Champion	P.Equip	Sing	Arafent	27/11	-
RM 8	Banglar Urm	Repair	-	BSC	R/A	30/11
RM/9	Princess of Lorne Sugar(TCB)	Bang	CCNL	2/11	5/12	
CUFLJ	Mary Nour	Cement (scan)	Iang	BSL	15/11	27/11
Kalco(U) Sea Banian	Urea	Hald	Everett	25/11	30/11	

### Vessels due at outer anchorage

Name of vessels	Date of arrival	Last Port call	Local agent	Cargo	Loading port
Iran Sokan	27/11	B.Abb	Seacon	R.Phos (TSP)	Cont L/Sing
Kota Cahaya (Cont)	16/11/27/11	Sing	PHI(BD)	Cont	L/Sing
Xpress Prima (Cont)	27/11	Sing	RSL	Cont	L/Sing
Olympic Mentor	26/11	P.Said	Ancient	Wheat(G)	Cont L/Sing
Tag Sahyogur	27/11	Col	Aliz	For Decidation	Michael
Michael	26/11	Col	Aliz	For Decidation	Michael
City of Houston	27/11	Suez	ASA	S.Ash+C.Soda	Gillogi
Ocean-1	28/11	Yang	SMSL	S.Ash+C.Soda	Gillogi
Qena	28/11	-	SBS	Fert	-
Jun Cheng	29/11	-	Bdship	GI	-
B.Shikha (Cont)	19/11	29/11	-	Bdship	GI
Xiang Jiang	29/11	-	Bdship	GI	-
O. Independence (Cont)	19/11	29/11	-	Bdship	Cont L/Sing
ST. Aubin	29/11	-	Everett	C.Clik	-
Kota Naga	29/11	Sing	PHI(BD)	-	-
Samara	30/11	Mumb	SMSL(Gl.Stoil+Mach)	-	-
Arabella (Cont)	20/11	30/11	-	QCSL	Cont L/Sing
Banga Birof (Cont)	19/11	1/12	-	Bdship	Cont L/Sing
Banglar Moni (cont)	22/11/30/11	-	BSC	Cont L/Sing	-
Banga Bouik (cont)	21/11	1/12	-	Bdship	Cont L/Sing
Osg Argosy (Cont)	23/11	1/12	-	Everbest	Cont L/Sing
J. Balsani (Cont)	23/11	1/12	-	Nol	Cont L/Sing
Qe Teal (cont)	22/11	2/12	-	QCSL	Cont L/Sing
Bago	2/12	-	Everett	GI	-
Banglar Moni (cont)	22/11/3/12	Sing	BSC	Cont L/Sing	-
R.Bohi (Cont)	26/11	5/12	Sing	BSC	Cont L/Sing
Banga Lankal (Cont)	23/11	5/11	-	Baridhai	Cont L/Col
Osg Alpha (cont)	26/11	5/12	Sing	RSL	Cont L/Sing
Kota BinaBang (cont)	26/11	5/12	Sing	PHI(BD)	Cont L/Sing
Kota Singa (Cont)	26/11	6/12	Sing	PHI(BD)	Cont L/Sing
Bright Vega (Roro)	24/22/11	15/22	-	Everett	Vchi

### Tanker due

Arrival	Depart	Hub	MTCL CDSORM	11
Arman-1	27/11	Ind	MTCL CDSORM	11
Heav-Inn	30/11	Ind	ECSL HSD	IRM 11

### Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Banga Bhoj (cont)	Cont	P.Rel	Bdship	26/11
Xpress Renown (cont)	Cont	Sing	RSL	26/11
Lady Arvottee	FERT(TSP)	Sing	SBS	24/11
Oriental Queen	C.Clink	Krab	RML	23/11
Joy World	GI	Sura	SSLL	27/11

### Vessels not ready

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
Olympic Mentor	Wheat(G)	Sorel	Ancient	26/11
Banglar Kakohi	-	Seacon	R/A(26/11)	-

### Vessels not entering

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
ECG Challenge	Dia Phos	Nai	BAL	16/11
Leopard-1	C.Clink	Kobis	ANCL	17/11
Patchara Narer	Mop (Balk)	Niko	Litmon	17/11
Orient Star	TSP(Tr)	Bank	Litmon	22/11
White Sea	Scraping	P.Said	Suami	24/11
Aceord	Cement	Sing	Viking	5/4
Revenge	-	-	Sunshine	3.8.99
Xing Ye	Rice (G)	-	MHCSL	20.2.99
Karys Sentosa	Rice (G)	-	USTC	10.8.98

### Movement of vessels for 28/11/2000

Outgoing	Incoming	Shifting
J/5	Egodios-5M	Cont B.Bhoj-7.4 DDJ Bright Sea-5-Cull-1030
J/8	Khulla-4.7	X.P.Padma-7.9
CCF10	J.Mars-6.5	G.1 Ocean-1.7.
RM-14	Gali-1.4	B.Jyoti-7.4-DOJ
DOJ	B.Shourab-4	-

The above are the shipping position and performance of vessels of Chittagong port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

## BKB's new DMD



Dr. Mujibur Rahman Khan has joined Bangladesh Krishi Bank (BKB) as Deputy Managing Director, says a press release.

Before taking over the new assignment, he was the General Manager of BKB Sylhet Division. Earlier he worked as General Manager of BKB Barisal Division.

He worked as credit specialist in a CIDA-financed Crop Diversification Programme (CDP) and USAID-supported Agro-based Industries and Technology Development Project (ATDP) of the Ministry of Agriculture.

Dr. Khan received his MSc (Hons) Agri. MS and PhD Degrees in Agronomy from foreign universities. He has a number of articles published in the local and foreign journals.

He participated in a number of training courses both at home and abroad.

## LatAm stocks seen moving sideways this week

BIENOS AIRES, Nov 27: Latin American stocks were seen moving sideways this week as Argentina's uneasy economic situation, volatile US markets and uncertainty over the American election gave investors a collective case of the creeps, reports Reuters.

Investors throughout the region continued to wait for the terms of a financial bailout package designed to allay fears of an Argentine debt default, while it was still anybody's guess as to who will be the next US president.

Meanwhile, continued volatility on the US Nasdaq IXIC index was expected to rattle investors worldwide.

Argentine shares could have a rough session on Monday in the aftermath of Economy Minister Jose Luis Machinea's announcement after market closing on Friday that the 2000 budget deficit would be \$1 billion higher than originally expected.

The revision of the 2000 deficit target to \$6.3 billion from \$5.3 billion, plus word that the 2001 budget would contain less than \$100 million

in spending cuts - down from previous predictions of \$600 million - was seen rattling already worried investors.

The Argentine bourse was already coming off a eerily quiet couple of sessions last week as uncertainty over the 2001 budget and a 36-hour general strike that ended Friday conspired to keep turnover well below normal.

The International Monetary Fund has said Argentina must pass a series of economic reforms including the scrapping of the state pension system before it will disburse a financial bailout package rumored to be worth up to \$2.1 billion.

The benchmark Merval, MERV index closed up 0.81 per cent Friday, but turnover was only about one-fourth the daily average as economic uncertainty and the US Thanksgiving holiday kept volumes low.

The fate of Brazilian shares this week lies in the hands of Argentina with many investors reluctant to move off the sidelines without reassurance that the Argentine government will succeed in halting its economy out of a crisis.

And despite a positive earnings outlook for Brazil's companies, traders said the country's markets would also keep moving in slow motion until the United States decides on who will be its next president.

"We need the US election to be defined and some good news out of Argentina," said Antonio Machado, an equity trader at Opportunity brokerage in Rio de Janeiro.

Amid the gloom, however, traders said electricity generator Cesp CESP4.SA could brighten the market's performance this week ahead of its imminent privatization Dec 6.

The government said six foreign firms have signed up to bid for Cesp.

The Sao Paulo benchmark stock index BVSP ended up 1.2 per cent on Friday at 14,336 although volumes were thin as many investors were unimpressed by Argentina's rocky political and economic situation.

The index fell one per cent last week and is off 16 per cent year.

Mexican stocks were expected to continue to dance to the fiddle of Wall Street, with

investors hoping the US presidential election will finally be resolved and markets would react favorably.

"The market continues to react to external events. We hope that next week the markets maintain a positive trend as we should have a solution to the problem of a lack of an elected president in the United States," said Noe Romero, director of analysis at Mexico City brokerage Bursametrica Management.

Mexico's IPC index MXM of 35 leading shares ended Friday at 6062.74 points, down 3.82 per cent for the week. If the US presidential logjam is resolved, some analysts saw the IPC heading back up to 6500 points during the next couple of weeks.

In Venezuela, traders expect the depressed stock market to pick up a little speed next week thanks to the opening of the telecom market on Tuesday.

The government has said it will auction licenses to operate in the fixed-line basic telephone market using wireless technology via the Caracas Stock Exchange