

# Indian bank staff go on strike against privatisation move

## Cash transactions come to a halt

BOMBAY, Dec 21: India's banking sector was paralysed Thursday by a one-day nationwide strike to protest against government moves to privatise state-owned banks, says AFP.

The strike, called by the United Forum of Bank Employees, involved nearly 1.3 million employees in public sector banks, the State Bank of India, foreign banks and rural banks.

The strike is total. We are determined to oppose privatisation," Suresh Dhopeswarkar, secretary of the All India Bank Employees Association (AIBE) told AFP.

The strikers marched through downtown Bombay shouting slogans against the government's move to reduce its equity in 27 state-owned banks from 51 percent to 33 percent.

A spokesman of the Indian Banks Association said the strike had hit banking operations across the country.

"Many bank branches are open, but there are virtually no cash transactions taking place," the spokesman said.

The draft legislation outlining the equity reduction was introduced in parliament last week, despite protests by opposition MPs and labour unions.

Although Finance Minister Yashwant Sinha has promised the government will maintain control over the banks, the

workers fear the legislation will lead to private control and job losses.

India has announced that no single group will be allowed to hold stakes in the state-owned banks of more than one percent, even after the government reduces its equity holdings.

Dhopeswarkar said unions were unconvinced of the government's sincerity.

"Industrial and business houses can negotiate under the one percent limit by putting in place thousands of dummy shareholders in a bank's stock. This is common practice among listed companies in India," Dhopeswarkar said.

trial houses, which had loan defaults of between 11 billion and 12 billion dollars with the state-owned banks, were trying to push through the legislation as it would provide them with an escape hatch.

The government says the sale of equity in the banks will help raise much needed funds for their expansion.

Bank employees went on strike across the country last month to protest against the privatisation move.

Labour union leaders warned there would be more strikes next month if the government went ahead with its plans.

# Tata-SIA, Air France, Delta Air in reckoning for Air India stake

NEW DELHI, Dec 21: India's Tata Group, Singapore Airlines, Air France and Delta Airlines all figure in a pruned list of bidders for a 40 per cent stake in Air India, officials said Thursday, says AFP.

Industry officials said steel magnate L.N. Mittal, who has a technical alliance with British Airways and Qantas, had also crossed the first hurdle.

Up to a dozen bidders were initially believed to be in the race for the slice of the state-owned international carrier, but New Delhi announced last week that three had been disqualified because they did not fulfil all the requirements.

The Indian government has not officially named the firms on the shortlist or those which have been crossed out, but an official confirmed the bid by an Air India pilots' union had been rejected.

"On Monday, we received our confidentiality agreement for both Air India and Indian Airlines. We will be signing it and submitting it shortly," a Tata spokesman told AFP.

The Tata group, which was the original owner of the international carrier before it was nationalised in the 1950s, has allied itself with Singapore Airlines in its bid for the Air India stake.

Besides the Tatas, the Hinduja group also confirmed it had received the confidentiality agreement and said it was in talks with unspecified foreign airlines over a bid.

Sources said a consortium comprising Air France and Delta Airlines had qualified for the next round and was looking for an Indian partner.

In recent weeks, the French ambassador to India Bernard de Montferand was quoted by

newspapers as saying that Air France had a very strong interest in Air India.

The routes of the two airlines are complementary and do not overlap. Also Air France was in the same situation as Air India 15 years ago and has direct experience of the privatisation process, he said.

Air India's privatisation has attracted strong interest because the airline has landing rights in key cities in Europe, the United States and the Middle East.

Experts say any airline which acquires a stake in Air India would be in an strong position globally because routes over India provide a corridor between Asia and Europe.

Air India has an ageing fleet of 26 aircraft and is currently unable to fly on many of the routes for which it has landing rights.

# Weak all-industry report bodes ill for Japan GDP

TOKYO, Dec 21: A key gauge of Japanese economic activity was unchanged in October, providing fresh evidence that the world's second-largest economy is once again dead in the water, says Reuters.

The Ministry of International Trade and Industry (MITI) said today that its all-industries index was flat compared with September, defying economists' forecasts of a rise of 0.8 per cent. The index had fallen 1.6 per cent the month before.

They said the report, which came on the heels of a sharp reduction in Japan's trade surplus, a business survey showing confidence had stalled and weaker-than-expected capital expenditure, was a further indication that a recovery in the first six months of 2000 had petered out.

"There is a growing risk of negative growth in the fourth quarter," James Malcolm, an economist with JP Morgan, said.

The weakness in consumption adds to the risk that fourth-quarter GDP growth is negative," added Ron Bevacqua of Commerz Securities.

As many economists expect the initial gross domestic product (GDP) estimate of 0.2 per cent growth for July-September to be revised to show a contraction, a second quarter of negative growth would technically constitute a recession.

The weakness in the all-industries index, a rough supply-side proxy of GDP, was concentrated in construction, which fell 1.5 per cent from September, and telecommunications, off 11.8 per cent.

"Although growth could very well come out positive depending on the indices for November and December, today's data dims the prospects for strong growth," Mamoru Yamazaki of Barclays Capital said in a note to clients.

GDP growth, Yamazaki said, was likely to stay roughly flat.

Darrell Whitten of ABN AMRO said signs of a pick-up in the economy might not emerge until the middle of next year.

The growing economic headwinds spell more bad news for the Tokyo stock market, which in turn could hurt the economy.

Battered by an overnight slide in the tech-heavy Nasdaq index in the United States, the benchmark Nikkei average slid 5.0 per cent at mid-afternoon to its lowest level in 23 months.

A MITI official said weakness in share prices could weigh in coming months on the financial services industry - one of the few bright spots in Thursday's report.

Malcolm of JP Morgan agreed. "Although there is no clear sign of activity collapsing in the near term, downside risks to the economic recovery going forward are continuing to

## S'pore-German consortium to invest in China

SINGAPORE, Dec 21: The Government of Singapore Investment Corporation (GIC), local bank United Overseas Bank Ltd. (UOB) and Germany's insurance and financial firm Allianz Group have agreed to invest in China's burgeoning asset management market, a joint statement said Thursday, says AFP.

Under the proposed venture, UOB and Allianz will each hold a 40 per cent stake with GIC Special Investments, GIC's private equity investment, taking the remaining 20 percent.

"We believe that we have formed an excellent partnership that positions ourselves to meet the challenge of the new business in China," UOB group's deputy chairman and president Wee Ee Cheong said in the statement.

"With the support of all three institutions, we are confident of success in growing our asset management business in the PRC (People's Republic of China)," he said.

In September, UOB and Allianz agreed on an equal partnership joint venture to invest in China but have now expanded it to include GIC, the state agency responsible for managing Singapore's foreign reserves in global investments.

The alliance is now searching for a Chinese partner to form the company, as required by financial regulations in China.

"We are currently looking at a number of potential PRC partners and are planning to combine our know-how with local expertise and distribution," said Joachim Faber, a member of the board of management at Allianz.

# Oil sinks to 8-month low as inventories build

LONDON, Dec 21: Oil prices slumped by over \$2 a barrel to end at new eight-month lows yesterday as another bout of nerves among dealers surveying a build in global inventories sent prices plummeting, says Reuters.

London Brent futures for February slid \$2.10 to \$22.90 a barrel after losing \$1.24 on Tuesday. February US light crude was down \$2.29 at \$25.67 a barrel.

Oil's slump has knocked \$12 from the value of a barrel since mid-October's 10-year peak of \$35 for Brent. Speculators have fled the market.

"The speed of the loss of the last dollar... shows how vulnerable the market remains to the downside," said Lawrence Eagles of brokers GNI.

Another contrasensational build in US crude inventories was cited by dealers as the reason for the latest slide. A weekly American Petroleum Institute report showed crude stocks for the week to December 15 up 2.4 million barrels to 289 million.

Crude stocks are normally

drawn down at this time of year but four OPEC supply increases this year mean inventories are rebuilding quickly from the summer's record lows.

This week's US crude build has narrowed the gap versus last year to a small 5.8 million barrel deficit compared to a 30-million barrel shortfall less than two months ago.

US distillate stocks, which include heating oil, slipped 890,000 barrels to 116.5 million and are 13.6 million lower than this time last year.

Dealers were also worried about a huge increase in US imports of petroleum products, up 1.3 million barrels a day on the week to 3.05 million barrels.

European and Asian inventories are also close to balance versus last year with mild winter weather in Europe helping stocks in the region grow faster than expected.

Oil's latest fall comes despite bullish factors, which some think could arrest the decline.

OPEC ministers, who meet in January, are talking about the possibility of curbing supplies by about one million barrels a day.

They fear a further downturn in the second quarter when demand slows and some want to cut production even if prices for a basket of OPEC crudes have not fallen below \$22, the bottom end of the cartel's preferred range.

The basket was priced at \$23.87 a barrel on Tuesday.

Iraq also may continue to lend some support to prices.

Baghdad has resurrected its request for a surcharge payment on United Nations oil sales, leading contract holders to fear Iraqi exports could dry up again by the end of December.

Iraq had suspended sales under the UN's oil-for-food exchange for 12 days at the beginning of this month when customers refused to pay the surcharge.

Exports from one of two approved terminals, the Gulf Port Mina al-Bakr, resumed a week ago after Baghdad waived the fee for those customers who had incurred huge tanker demurrage costs while queuing at the terminal.

## Turkey's treasury signs \$1b loan with 11 banks

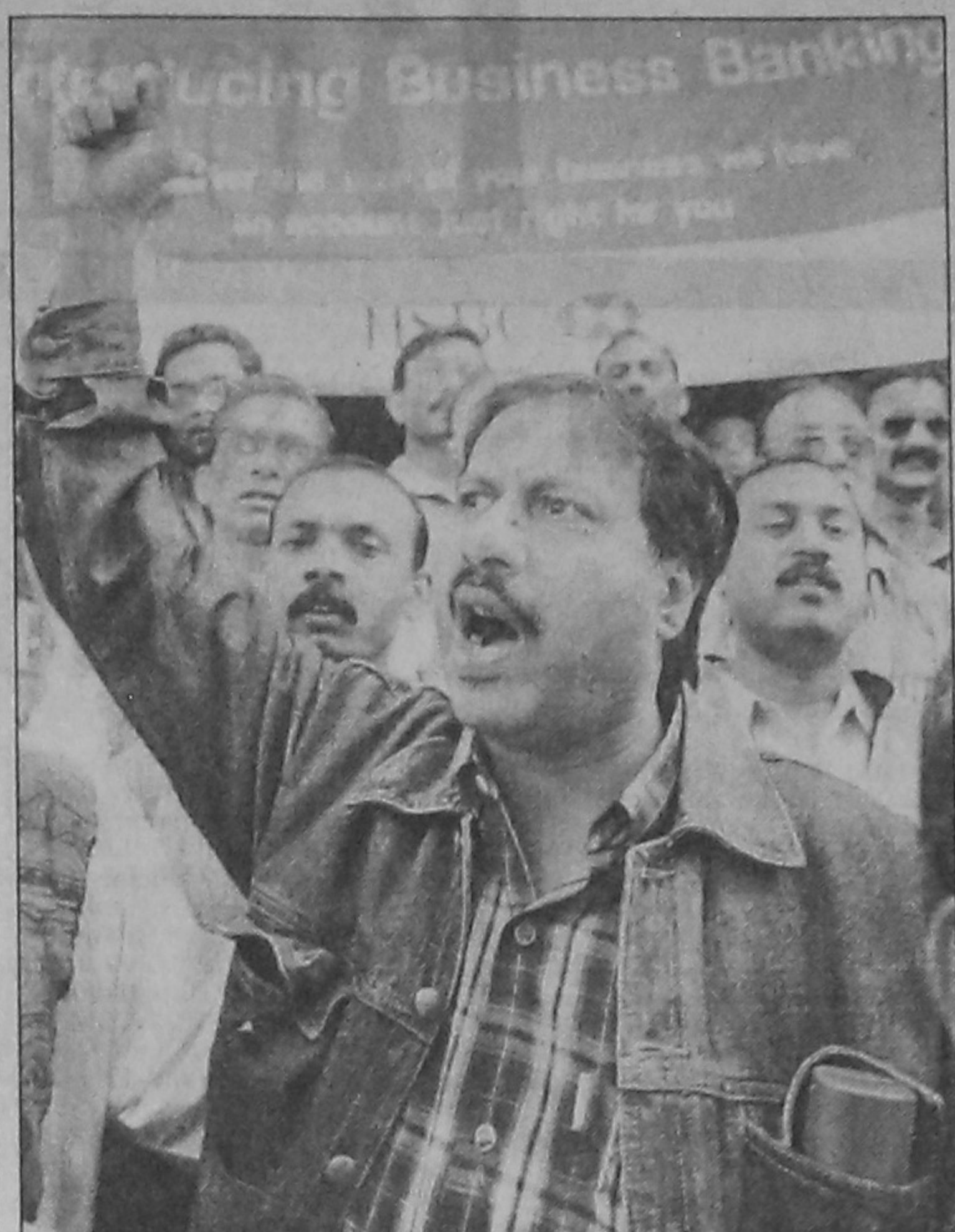
ANKARA, Dec 21: Turkey's Treasury today said it had signed an agreement with 11 international banks for a \$1 billion syndicated loan it hopes will provide liquidity to its financial system, says Reuters.

The Treasury said the six-month credit at 100 basis points over Libor and a commitment fee of 50 basis points would be divided evenly among the 11 banks.

Most of the details of the loan had been announced late last week but the number of participating banks was not clear at that time.

The Treasury listed them as: ABN Amro Bank, the Bank of Tokyo-Mitsubishi, BNP Paribas, Citibank, Commerzbank, Credit Agricole Indosuez, Credit Suisse, First Boston, Deutsche Bank, The Fuji Bank and Morgan Stanley.

The credit is in addition to a \$7.5 billion emergency loan agreed with the IMF earlier this month to help Turkey weather a liquidity crisis that sucked billions from central bank reserves after a criminal probe of banks in receivership hit confidence in the sector.



Indian bank employees shout anti-government slogans during a demonstration yesterday in New Delhi. Over 1.3 million bank employees throughout the country went on strike yesterday to protest against government moves to privatise state-owned banks. -- AFP photo

## Thai banks make little progress on bad loans

BANGKOK, Dec 21: Thai banks made little or no progress restructuring their billions of dollars of bad loans in November, industry data showed today, says Reuters.

Far from resolving the problem, two of the country's top banks actually reported small increases in their levels of non-performing loans (NPLs) - loans yielding no income for at least three months.

Market leader Bangkok Bank BBLBK said its NPLs rose to 163.3 billion baht (\$3.87 billion) at the end of November from 162.5 billion a month earlier.

The November figure amounted to 21.81 per cent of Bangkok Bank's total lending, against 21.62 per cent in October.

Siam Commercial Bank SCB.BK said its NPLs stood at 18.96 per cent of lending at the end of November against 18.90 per cent a month earlier.

Analysts said Bangkok Bank's NPLs, which rose for the second month in a row, partly reflected the painfully slow pace of rehabilitating troubled Thai

**রাজশাহী বিশ্ববিদ্যালয়**  
রাজশাহী

**ক্রিয়ারিং এ্যান্ড ফরওয়ার্ডিং এজেন্ট নিয়োগের জন্য দরপত্র আহ্বানের বিজ্ঞপ্তি**

অত্র বিশ্ববিদ্যালয় কর্তৃক বিভিন্ন সময়ে আমদানিকৃত বৈজ্ঞানিক যন্ত্রপাতি, কীটনাশক, কীটনাশক প্রবাসী, ষ্ট-পুঙ্ক ও সামাজিকী ইত্যাদি সোনামসজিদ স্থল বন্দর হতে বাসাস করা এবং তা বিশ্ববিদ্যালয়ে পঠানোর জন্য ও (তিন) কন্টেইনার বাসর কাছের অভিজ্ঞতাসম্পন্ন ক্রিয়ারিং এ্যান্ড ফরওয়ার্ডিং এজেন্টদের নিয়োগ হতে সীলমোহরকৃত দরপত্র আহ্বান করা যাচ্ছে।

স্ট্রাকচার সিভিল (আয়ুর্জিক শর্তাবলি) এর মূল্য ০৩০/০০ (শীটস) টাকা (অনেকেরকো) এবং বেসামান্য "পরিচালক, পরিচালক ও উন্নয়ন সত্তর, রাজশাহী বিশ্ববিদ্যালয়, রাজশাহী" এর অনুকূলে অনন্যোপায়ে ভিন্ন ভিন্ন পদ্ধতিতে অথবা ১২/০০ (বার) টাকা মূল্যের সীলমোহরকৃত দরপত্র আহ্বান করা যাবে।

দরপত্র আহ্বান "পরিচালক, পরিচালক ও উন্নয়ন, রাজশাহী বিশ্ববিদ্যালয়, রাজশাহী" এর সত্তর হতে ১-১-২০০১ পর্যন্ত সত্তর করা যাবে এবং ১৬-১-২০০১ বেলা ১১:০০ ঘটিকা পর্যন্ত সময়ে হতে সীলমোহরকৃত দরপত্র আহ্বান করা যাবে। রাজশাহী বিশ্ববিদ্যালয়, রাজশাহী" বরাবর পৌঁছাতে হবে। দরপত্র আহ্বান হতে উপর "সোনামসজিদ স্থল বন্দরের জন্য এজেন্ট নিয়ুক্তির দরপত্র" কথটি উল্লেখ থাকতে হবে।

প্রাপ্ত দরপত্রসমূহ প্রিন্ট বেলো ১২:০০ ঘটিকার সময়ে উপস্থিত দরপত্র আহ্বান মনোনীত এজেন্টদের সম্মুখে (যদি কেউ উপস্থিত থাকেন) প্রকাশ্যেই অতিসরকারী মেলা হবে।

কোন প্রকার তালিকা না দিলে যে কোন বা সত্তর টেন্ডার হলে বা বণিজ্য করার অধিকার বিশ্ববিদ্যালয় কর্তৃপক্ষ সংরক্ষণ করে।

মোঃ মুসব্বির হোসেন  
পরিচালক  
(১২/১২/২০০০)  
ফোন-১১৬৮

**Bangladesh Bank**  
Administration & Expenditure Department  
Head Office, Dhaka

**Tender Notice**

1. Sealed tenders are hereby invited for supply, installation, testing and commissioning of 32 (thirty-two) personal computers, 21 (twenty-one) Dot Matrix Printers, 2 (two) Laser Printers, 35 (thirty-five) UPS (Off line), 1 (one) 1.5 KVA UPS (On line) and 1 (one) Visual studio licensed software at Bangladesh Bank, Head Office, Dhaka from bonafide local agents/suppliers/dealers/distributors/retailers and manufacturers in two envelopes system of which one shall be clearly marked "Technical Proposal" on the envelope and another shall be marked "Financial Proposal."

2. Time for completion of the work is 30 (thirty) days from the date of work order.

3. Earnest money @ 2.5% of the total quoted amount of the work to be submitted in the form of Bank Draft/SDR/Pay Order only from any scheduled bank in Bangladesh drawn in favour of the General Manager, Administration & Expenditure Department, Bangladesh Bank along with the "Financial Proposal."

4. Cost of tender schedule including specification terms/conditions is Tk. 750/00 (Taka Seven Hundred Fifty) only per set (non-refundable). The tender schedule may be obtained from the General Manager, Administration & Expenditure Department, Building Payments Division, 7th floor, 2nd Annex Building, Bangladesh Bank, Head Office, Dhaka during banking hours up to 02/01/2001. The tenders in sealed covers may be dropped in the box kept at the said office up to 11-00 AM on 15/01/2001 and Technical Proposals shall be opened at 11-15 AM on same day in presence of bidders, if any, and Financial Proposals shall be kept separately.

Incomplete, conditional and tender without earnest money will not be acceptable. Bangladesh Bank reserves the right to accept or reject any or all, in part or all full offers without assigning any reason whatsoever.

DPR&P:48/2000-2148  
Date: 20-12-2000  
GD-1178

**Sk. Abdul Aziz**  
General Manager

**Government of the People's Republic of Bangladesh**  
Office of the Project Manager,  
Independence Movement Construction Cell  
Public Works Department, Dhaka

Memo No \_\_\_\_\_ Date \_\_\_\_\_

**Short tender Invitation Notice**

1. Notice No : 3/2000-2001

2. Name of work : Supply and installation of light fixtures manufactured in foreign country in museum display area, audio-visual room, ramp and plaza including other places of the Independence Movement Construction Project at Suhrawardy Uddyan.

3. Earnest money : 2% (two per cent) of the quoted cost as per terms and conditions of tender.

4. Date of completion of work : 60(sixty) days from the date of issue of work order. The given time will not be extended under any circumstances.

5. Eligibility of contractors' : Special first class, class I/E/M contractors' firms of Public Works Department and any bonafide supplier of Bangladesh.

6. Cost of tender : Taka =775/- (seven hundred seventy-five) only.

7. Place where tenders will be received : Executive Engineer, Dhaka Public Works Division-1/2/3/4/City/Eden Building/Motiheel/Azimpur/Resources/Maintenance/Mirpur/Savar/Sher-e-Bangla Nagar Public Works Division-1/2/3/Medical College/Mohakhola and Executive Engineer, Public Works E/M Division-1/2/3/4/5/6/7/8/ Mechanical Workshop Division/Timber Workshop Division, Staff Officer, Public Works Dhaka Zone/Office of the Divisional Commissioner, Dhaka/Chief Arboriculturist, Arboriculture Public Works Division, Public Works Division Narayanganj/Narsingdi/Munshiganj/Tangail/Kishoreganj/Sherpur/Jamaipur/Netrokona/Chittagong Public Works Division-3 under Chittagong zone/Khulna Public Works Division-1 under Khulna zone/Rajshahi Public Works Division-1 under Rajshahi zone offices.

8. Place for selling tender : In the offices as stated in No 7 section (Except Staff Officer, Public Works Dhaka Zone).

9. Last date of selling tender : 08/1/2001 till office hours

10. Date and time of receiving and opening tender : Tenders will be received on 10/1/2001 till 12:00 noon and will be opened the same day at 12-15 pm in all the concerned offices.

Project Manager  
Independence Movement Construction Cell  
Public Works Department, Dhaka

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against the Taka to clients					
Central bank buying and selling band of USD, BDT 53.85/BDT 54.15					
Selling		Currency		Buying	
TT/OD	BC	TT Clean	OD Sight	OD	Transfer
54.2500	54.2800	USD	53.8150	53.6464	53.5779
49.6321	49.7190	EUR	48.4266	48.2432	48.1666
80.5341	80.5761	GBP	79.0305	78.7640	78.7094
30.4327	30.4572	AUD	29.3706	29.2781	29.1980
0.4835	0.4837	JPY	0.4710	0.4708	0.4718
32.5495	32.5740	CHF	32.0045	31.9100	31.8255
5.6709	5.6761	5.5150	5.5733	5.5558	5.5397
35.7912	35.8157	CAD	35.2222	35.1285	35.0453
6.9595	6.9608	HKD	6.8981	6.8804	6.8630
31.496	31.5162	SGD	31.0549	31.0111	30.8964
14.8919	14.9095	AED	14.5023	14.5242	14.4838
14.5795	14.5979	SAR	14.2395	14.2028	14.1846
Usance export bills					
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7041	53.7327	52.9304	42.4217	51.8688	50.6303
Exchange rates of some Asian currencies against US dollar					
Indian Rupee	PAK Rupee	Thai Baht	Lankan Rupee	Indo Rupiah	NZ Dollar
46.70/	58.10/	42.365/42	82.75/	9265/	0.4393/
46.72	58.40	465	82.80	9303	44
In the local foreign exchange markets, demand for the US dollar was comparatively low. Call money market went up ahead of Eid.					
In the international markets, euro gained against US dollar and reached 0.91 level, highest in the last four months, due to bearish sentiment in the world stock markets. Euro also posted a five month high against yen on the back of a fall in the Nikkei index.					