

IMF, WB okay debt relief for 22 countries this yr

WASHINGTON, Dec 23: The World Bank and the IMF announced Friday that 22 poor countries were now receiving debt relief, surpassing a year-end goal to provide such assistance to 20 nations, says AFP.

World Bank President James Wolfensohn and International Monetary Fund Managing Director Horst Koehler in a joint statement said the 22 countries, 18 of them in Africa, would be freed of obligations to meet about \$4 billion dollars in debt service.

The assistance is provided under the heavily indebted poor countries (HIPC) initiative, which the Bank and the Fund

launched in 1996 and expanded in 1999.

Under the program poor countries that adhere to IMF-prescribed economic reforms over a three-year period and agree to implement a poverty reduction strategy are eligible for debt relief from both the Bank and the Fund, as well as other multilateral and bilateral creditors.

The 22 eligible countries approved this year will eventually see their foreign debt reduced by nearly 50 per cent on average, according to the joint statement. Combined with existing debt relief offered by bilateral creditors, the benefici-

aries should see their debts decline by two-thirds on average.

A World Bank official said some of the 22 had qualified for full debt relief under HIPC while others were receiving interim assistance as they continued to meet program conditions.

To ensure that the relief is translated into poverty reduction, the beneficiary countries must continue with their economic, social and governance reforms... and will need to design and implement nationally owned poverty reduction strategies," Wolfensohn and Koehler said in their statement.

Eventually some three dozen countries are expected to qualify for HIPC debt relief.

But they also called on de-

veloped nations to maintain their official development assistance to poor countries and to eliminate barriers in their markets to exports from the developing world.

The 22 countries receiving debt relief are: Benin, Burkina Faso, Cameroon, Gambia, Guinea, Guinea-Bissau, Madagascar, Malawi, Mali, Mauritania, Mozambique, Niger, Randa, Sao Tome and Principe, Senegal, Tanzania, Uganda, Zambia, Bolivia, Guyana, Honduras and Nicaragua.

Eventually some three dozen countries are expected to qualify for HIPC debt relief.



The 19th Annual General Meeting of Saiham Textile Mills Ltd was held at BIAM Auditorium in the city on Thursday. Chairman of the company Syed Md. Qaisar and Managing Director SM Faisal are seen in the meeting with other directors.

—Saiham photo

Saiham Textile declares 7.5 pc dividend

Saiham Textile Mills Ltd has declared a 7.5 per cent dividend for the shareholders for the year 1999-2000, says a press release.

The dividend was announced at the 19th Annual General Meeting of the Board of Director of the company held at the BIAM Auditorium in the city on Thursday.

The chairman of the company, Syed Md Qaisar, presided over the meeting.

The directors report was discussed, reviewed and duly approved by the shareholders.

The company has earned a gross profit of Tk 6.74 crore in the financial year 1999-2000. Besides it has paid Tk 4.01 crore to BSRS against long-term loan in the financial year 1999-2000.



Picture shows the third GMG aircraft, Dash 8 series 300, which arrived at ZIA on Friday night. Chairman of GMG Airlines Abdus Sattar and other officials and staff members were present on the occasion.

—GMG photo

EU plan to free postal services deadlocked

BRUSSELS, Dec 23: Bold plans to "liberalise" Europe's postal services have failed to win the approval of EU member states, but the European commissioner in charge of the dossier says the idea is far from dead, reports AFP.

The debate goes on. EU Internal Market Commissioner Frits Bolkestein said, after EU telecoms ministers -- meeting late into Friday night -- split almost evenly over the issue.

Germany, Austria, the Netherlands, Denmark, Belgium, Sweden and Finland all support a more rapid opening-up of the postal market, which remains

dominated by national postal monopolies to private enterprise.

In the other camp were Britain, Ireland, France, Spain, Portugal, Italy, Greece and Luxembourg, who favored a slower, more measured pace of reform in a sector that directly touches each of the EU's 375 million citizens.

At the heart of the deadlock is Bolkestein's proposal that postal services be liberalized for mail that weighs less than 50 grams (1.75 ounces) -- about the weight of a regular letter with five sheets of paper inside.

"The situation appears deadlocked," he said.

Since 1995 the EU postal

market has been open to competition for mail greater than 500 grams.

"We tried to bring the different points of view together, but it proved impossible," said French Industry Minister Christian Pierret, who chaired what was the last ministerial meeting of the French EU presidency.

Without a clear majority of member states opposing the principle of postal liberalization, Pierret said the status quo is likely to continue through 2004.

The situation appears deadlocked," he said.

According to the Xinhua news agency, the region's gross domestic product (GDP) is expected to reach 11.7 billion yuan (1.4 billion dollars) on the back of economic growth in excess of the 8 per cent forecast for China as a whole.

Service industries are forecast to boost by 12.2 per cent this year, while state enterprises' investments in new plant and equipment are likely to gain as much as 17.6 per cent, Xinhua said, citing an economic work conference held in Lhasa, the capital of Tibet.

The per capita income of farmers and herdsmen is unlikely to match overall economic growth, as it is forecast to rise just 5.3 per cent to 1,325 yuan (160 dollars).

Tibet is one of the most destitute areas under Chinese control, and last year its per capita GDP was 4,262 yuan (513 dollars), a mere seventh of the GDP in Shanghai, one of China's wealthiest cities.

could now count on an increasingly diverse export base, diminishing dependence on imported oil and enhanced competitiveness in the face of instability abroad.

Fund directors agreed with the government's "cautious approach" to interest rates and its conclusion that scope for further reductions in rates would depend on external events and on controlled domestic demand.

Elsewhere in its assessment of Brazil, the IMF called for a more equitable distribution of economic growth and for the progressive reduction in tariff and non-tariff barriers to trade.

Inflation is projected to be six per cent compared with 8.9 per cent last year.

While commanding Brazilian authorities for their "skillful

management" in response to the downturn of two years ago, IMF directors cautioned that "the economy remains vulnerable to external shocks."

This makes it imperative that the authorities persevere in their fiscal consolidation and structural reform efforts."

The IMF assessment was issued as fears mounted in the United States that its economy could be headed for a sharp slowdown, a turn of events that could have severe consequences for countries dependent on the US market for their exports.

The IMF described the outlook for the global environment as "uncertain" but said Brazil

and the rest of the world

will "likely" continue to grow.

Consumer spending rose 0.3 per cent last month, the slowest monthly gain since May 1998 but in line with Wall Street expectations and down only slightly from October.

Joel Naroff, president of Naroff Economic Advisors, said "income growth is the key measure to determine whether we are heading into a recession and people have the funds to spend."

Consumer spending has slowed but can hardly be said to have reached recessionary levels," said Barclays Capital economist Henry Willmore.

The department also reported that household income was up 0.4 per cent in November compared with a dip of 0.1 per cent in October.

And in another sign that the US economy still has some life left, the department said orders for durable goods, items expected to last three years or more, increased a bet-

ter than expected 2.3 per cent last month after a sharp, 6.5 per cent decline in October. These numbers aren't reviving up the economic engine but indicate that the brakes aren't on quite as hard," noted National Association of Manufacturers economist David Huetter, who added that "the threat of a near-term recession seems muted even as growth continues to slow."

Some of the nation's most formidable corporations -- notably AT & T, Microsoft and Ford -- have warned that soon to be released quarterly results will come in below expectations.

Contributing to the anxiety apparent on Wall Street and elsewhere have been repeated suggestions from Republican President-elect George W. Bush and his team that the economy is in deep trouble, with a recession a distinct possibility.

Consumer inflation excluding food and energy, measured by a government index called the personal consumption price deflator, rose just 1.7 per cent year-on-year last month.

That result, according to First Union economist David Orr, should leave "the Fed with the green light to ease as needed."

Confronted with accusations from Democrats that he has been deliberately "talking down the economy" to drum up support for his controversial tax cut plan, Bush has said he has

simply been stating the obvious.

But few if any economic commentators see a real recession -- defined in some circles as two consecutive quarters of negative growth -- on the horizon and point to continued low unemployment and the near absence of inflationary pressure as evidence of the expansion's durability.

Consumer inflation excluding food and energy, measured by a government index called the personal consumption price deflator, rose just 1.7 per cent year-on-year last month.

Given the improved prospect for electricity supply, no additional BOT projects will qualify for treasury guarantees," the letter said.

With inflation no longer a clear menace to the expansion, the Federal Reserve policymakers are widely expected to lower short-term interest rates next year in order to revive the pace of growth.

Confronted with accusations from Democrats that he has been deliberately "talking down the economy" to drum up support for his controversial tax cut plan, Bush has said he has

the 19th Annual General Meeting of Saiham Textile Mills Ltd was held at BIAM Auditorium in the city on Thursday. Chairman of the company Syed Md. Qaisar and Managing Director SM Faisal are seen in the meeting with other directors.

—Saiham photo

end of the boom economy.

Other experts cite recent spates of bad weather in parts of the United States and the failure by many Internet companies to live up to promises to deliver merchandise in time for the holidays as reasons why shoppers have failed to part with their money this year.

In recent days, President-elect George W. Bush has also noted a slowdown in consumer spending, but some pundits say, to drum up support for his proposed tax cut which he claims is necessary to ward off an economic downturn.

But economists were thrown off balance by the degree to which last year's free-spending Americans have reformed their shopping habits.

As of December 17, sales in shopping malls were down 8.2 per cent compared with the same period last year.

Recent holiday shopping seasons have seen expansion of between three and five per cent, according to industry analysts and retailers, but such a gain "would be a bit of a stretch now," said John Konaraf, senior vice president of research at the International Council of Shopping Centers.

"It's been disappointing for retailers," said William Ford, a senior advisor at TeleCheck Services Incorporated, a company which measures the volume of retail sales paid by personal check.

The slowdown has affected many industries. Many companies have laid off workers. An auto industry that pumped out sports utility vehicles as if the boom would never end is stuck with bloated inventory that it must sell before it can crank up production again.

Stores are doing their best to induce Americans to part with their money. Some retailer have begun offering sales coupons and deeply discounted merchandise to lure shoppers into the stores. Others have extended shopping hours until midnight and beyond.

The discount department store chain K-Mart is even keeping its stores open for 86 hours straight beginning Thursday and ending at 8 pm Christmas Eve (0100 GMT Christmas Day.)

Shipping Intelligence

Chittagong port

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

Berth position and performance of vessels as on 20.12.2000

Berth No	Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
J/1	Southern Queen	Gl	Sing	Aeka	28/11
J/2	City of Houston	Gl	Cong	ASA	27/11
J/3	San Mateo	Veh	P.Kel	JF	21/12
J/4	Ashik-1	Salt	Kand	SBS	23/12
J/5	Enos	Gl	Yang	SMSL	8/12
J/6	Samara	Gl	Mumb	SMSL	3/12
J/7	Bright Sea	C.Clink	Krab	MBL	17/12
J/9	Effeso	Gl	Kand	Rainbow	11/12
J/10	X-Press Repawn	Cont	Sing	RSL	13/12
J/11	Dafa	Cont	Sing	RSL	14/12
J/12	Boxer Capt Cook	Cont	Sing	Bdship	13/12
J/13	Banga Bijoy	Cont	Sing	Bdship	14/12
CCT/2	X-Press Resolve	Cont	Sing	RSL	10/12
CCT/3	Banglar Shikha	Cont	Sing	BSC	17/12
RM/15	Princess of Lorne	Sugar	Bang	CCNL	02/11
CCJ	Ocean Pride	C.Clink	Krab	PSAL	14/12
GSJ	Banglar Kallo	C.Clink	Sikka	BSC	16/12
TSP	Iran mecad	R.Phos	Jedd	Seacom	12/12
RM/4	Zoe	Tsp/Pl	Jani	SBS	16/12
DOJ/1	Baglar Urm	Repair	-	BSC	22/12
RM/8	Spring Grace	Cil/Cpo	Bela	TSL	18/12
CUF/1	Mary Nour	Cement	Lank	BSL	10/12

Vessels due at outer anchorage

Name of vessels	Date of arrival	Last Port call	Local agent	Cargo Loading port
Jupiter-I	20/12	Mong	OTBL	-
Karyatis-III	20/12	Mong	OTBL	-
Gill	20/12	Col	OTBL	-
O. Independence (Cont)	20/12	P.Kel	Bdship	Cont Sing
B. Bonik (Cont)</				