

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 34 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 benefi-

ciaries 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.

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, 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.

Third aircraft joins GMG fleet

The third aircraft of GMG, Dash 8 series 300, arrived at ZIA on Friday night. It is a bigger version of the Dash 8 family from Bombardier DHC of Canada, the finest and the most reliable Turbo prop aircraft on earth with 99.34 per cent dispatch reliability, says a press release.

Chairman of GMG Airlines Abdus Sattar, GM Finance, GM Administration and other staff members were present at the airport while the aircraft touched the ground.

The inauguration of new aircraft was held last Tuesday at the north side of VIP lounge of ZIA. Engineer Mosharraf Hossain, Civil Aviation and Tourism Minister, was present at the induction ceremony as the chief guest and highly praised the commitment and services of the airlines.

This third aircraft was supposed to join the GMG fleet early this week during the induction ceremony. But due to certain limitations, it was unable to reach Dhaka on time.

As many as 70 big operators in the world is already using the Dash 8 series 300. The new fifty-seater aircraft has a luxurious and spacious interior and is equipped with the most modern avionics and designed to cater to the highest luxury. This is yet another effort of GMG Airlines towards fulfilling its "First class All the Way" commitment.

Tibet likely to see 9.3pc growth this yr

BEIJING, Dec 23: Tibet's economy is likely to grow by 9.3 per cent this year, better than the average for all of China, driven by an expansion in service industries and state investments, official media reported on Saturday, reports AFP.

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.

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.

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

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



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.

US retailers want Christmas shopping hordes to ward off sales slump

WASHINGTON, Dec 23: Retailers across the United States were holding out hope that this Saturday before Christmas -- traditionally the busiest day for sales -- would revive a sluggish shopping season that some analysts believe to be a harbinger of recession, reports AFP.

A frontpage story Friday in the US economic bible, the Wall Street Journal, prominently noted a slowdown in consumer spending, but was only the most recent in a long spate of dire forecasts that an economic downturn may be around the corner.

For weeks, economists here have pointed to such negative factors as the steep decline in the stockmarket -- especially among once high-flying Internet stocks -- rising energy prices and the succession of interest rate hikes by US Federal Reserve bank in predicting the

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 fueled talk of recession, in part, 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 Konarski, 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 doctors 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.

And one of the worst-hit retail categories during the holiday season has been jewelry, which has had an incredible run in recent years with the bull stock market and economic expansion but which so far this Christmas season is experiencing a slump.

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.)



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 post-office 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.

Since 1995 the EU postal

market has been open to competition for mail greater than 350 grams.

"We tried to bring the different points of view together, but it proved impossible," said French Industry Minister Christian Prieret, 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, Prieret said the status quo is likely to continue through 2004.

"The situation appears deadlocked," he said.

IMF sees Brazilian economy still vulnerable to weakness

WASHINGTON, Dec 23: The IMF on Friday warned Brazil that despite its robust recovery from a 1998-1999 crisis the economy remains vulnerable to weakness elsewhere and urged authorities to continue to restrain spending, reports AFP.

International Monetary Fund executive directors, according to a summary of their recent assessment of Brazil, said the country should post growth of four per cent this year after a weak 0.8 per cent in 1999.

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

While commending 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

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 with 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.

Healthy US consumer spending eases fears of recession

WASHINGTON, Dec 23: US consumers, widely thought to have gone into hibernation, continued to spend money in November, the government said Friday in a report that eased fears the economy was headed for recession, reports AFP.

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.

The growth rate of consumer spending has slowed but can hardly be said to have reached recessionary levels," said Barclays Capital economist Henry Williams.

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 cooling 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 revving up the economic engine but indicate that the brakes aren't on quite as hard," noted National Association of Manufacturers economist David Huether, who added that "the threat of a near-term recession seems muted even as growth continues to slow."

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."

"Confidence is still relatively high and incomes are still rising and that tells me that we are in a slowdown and not headed into a recession."

Friday's figures stood in sharp contrast to a recent flood of official indicators showing that the pace of growth was flagging fast, a trend confirmed

Thursday when the government said gross domestic product expanded a paltry 2.2 per cent in the third quarter after 5.6 per cent in the second.

Beyond Washington, US retailers have to date reported disappointing end-of-year holiday sales, reflecting weakened consumer confidence and a steadily declining stock market.

Some of the nation's most formidable corporations -- notably AT and 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.

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.

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

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



Silvia Rathje (L) sells sausage meat in a Hamburg butcher Thursday. German butchers agreed late Friday to withdraw all products which might contain risky remains of cattle, sheep or goats, the German health ministry said in a new bid to restore consumer confidence shaken by the mad cow crisis. — AFP photo

Turkey to announce 29 power projects

ANKARA, Dec 23: Turkey will announce 29 power plant projects worth about \$1.5 billion by the end of this month as part of pledges to the International Monetary Board, which approved an emergency loan package of \$7.5 billion, says Reuters.

A letter of intent sent to the IMF said and unveiled on Friday the projects would be carried out under the build-operate-transfer (BOT) model and be the last ones to enjoy guarantees by the cash-strapped treasury provided they are commissioned by end-2002.

An energy ministry official said the plants would have an established total capacity of 1,380 Megawatts (MW).

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

The government pledged the IMF it would sell the assets of power distribution grids and thermal power plants if the tender process launched in 1996 to transfer their operational rights to private entities

are not completed by March 31, 2001.

A prequalification tender procedure will be held for their privatisation will be completed by April 15, 2001, the letter of intent said.

But Energy Ministry Undersecretary Yurdakul Yigitguden said late on Thursday the prequalification deadline was "not possible to meet" because a new tender process should be launched for the asset sales.

"We would need a full value assessment and that will take us some two years to complete with assistance from a development bank," he told reporters.

The government's ambitious plan in 1996 to licence off 20 power grids and eight thermal power plants to private companies has so far produced only one transfer, Cayirhan plant near Ankara to Park Termik.

worth \$185 million.

The government's commitments to the IMF included the passing of a electricity market law, which will end state controls on electricity generation, distribution and pricing.

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	Local agent	Date of arrival	Date of Leaving
J/1	Southern Queen	GI	Sing	Aeka	27/11	-
J/2	City of Houston	GI	Conc	ASA	27/11	22/12
J/3	Sau Maico	Vehi	P Kel	JF	19/12	21/12
J/4	Asliki-1	Salt	Kand	SBS	12/12	23/12
J/5	Enos	GI	Yang	SMSL	8/12	21/12
J/6	Samara	GI	Mumb	SMSL	3/12	21/12
J/7	Bright Sea	C/Chuk	Krab	MBL	17/12	27/12
J/9	Efessos	GI	Kand	Rainbow	11/12	21/12
J/10	X-Press Renown	Cont	Sing	RSL	13/12	23/12
J/11	Dafa	Cont	Sing	RSL	14/12	26/12
J/12	Boxer Capt Cook	Cont	Sing	Bdship	13/12	25/12
J/13	Banga Bijoy	Cont	Sing	Bdship	14/12	25/12
CCT/2	X-Press Resolve	Cont	Sing	RSL	10/12	22/12
CCT/3	Banglar Shikha	Cont	Sing	BSC	17/12	22/12
RM/15	Princess of Lorne	Sugar	Bang	CCNL	02/11	22/12
CC/1	Ocean Pride	C/Chuk	Krab	PSAL	14/12	28/12
GS/1	Banglar Kallol	C/Chuk	Sikka	BSC	16/12	28/12
TSP	Iran mevad	R/Phos	Jedd	Seacon	12/12	25/12
RM/4	Zox	Tsp/Pl	Jani	SBS	16/12	21/12
DO/1	Baglar Ummi	Repair	-	BSC	R/A	22/12
RM/8	Spring Grace	Ctl/Cpo	Bela	TSR	18/12	22/12
CUFI/1	Mary Nour	Cement	Lank	BSL	10/12	25/12

Vessels due at outer anchorage

Name of vessels	Date of arrival	Last Port	Local agent	Cargo/Loading	port
Jupiter-1	20/12	Moni	OTBL	-	-
Karyatis-III	20/12	Moni	OTBL	-	-
Gill	20/12	Col	OTBL	-	-
O Independence (Cont)	20/12	P/Kel	Bdship	Cont	Sing
B. Bonik (Cont)	20/12	Sing	Bdship	Cont	Sing
J. Baskin (Cont)	21/12	Sing	NOL	Cont	Sing
Tug Huiji	22/12	Batam	OWSL	-	-
Solo, Borge, Zhong Ren-2	22/12	Batam	OWSL	P Cargo	-
St. Aubin	21/12	-	Everett	C/Chuk	-
Bao Yun Shan	22/12	Sing	BML	GI	-
Bay Fortune	22/12	Mumb	SMSL	Wheat(p)	-
Topaz(Liner)	22/12	-	Prog	GI	-
Hui Yang	22/12	Qinz	Unique	TSP/Fert	-
B. Birel(Cont) 13/12	-	Bdship	Cont	L/Sing	-
B. Robit(Cont) 13/12	23/12	Sing	BSC	Cont	Sing
Paragon	23/12	P/Said	Ancient	Wheat(G)	-
Makmur Perkasa	23/12	Tuban	SSTL	Cement	-
Ocean-1	26/12	Yang	SMSL	GI (LOG)	-
B. Moni(Cont) 11/12	24/12	Sing	BSC	Cont	Sing
Arabella	24/12	-	QCSL	Cont	Sing
Asian Century (Roro) 48	24/12	Sing	JF	Vehi	-
B. Lanka(Cont) 14/12	24/12	Cbo	Baridui	Cont	Col
Kuo Shung (Cont)	24/12	-	QCSL	Cont	Sing
Dea Conqueror	25/12	Sing	Arafeen	P/Equip	-
Muj Jiang(Liner)	25/12	-	Bdship	GI	-
Osg Alpha (Cont) 19/12	25/12	Cbo	Everbest	Cont	L/Sin
Yong Jiang(Liner)	26/12	-	Bdship	GI	-
Xpress Makati(Cont)	27/12	-	RSL	Cont	Sing
Joy Miracle (72) 19/12	28/12	-	SSLL	GI/St Coll	-
Kota Singa(Cont)	29/12	Sing	PHIBD	Cont	Sing
Qe Pintail (Cont) 19/12	30/12	-	QCSL	Cont	L/Sing
Actuaria (Cont) 19/12	31/12	-	QCSL	Cont	L/Sing

Tanker due:

Name of vessels	Date of arrival	Last Port	Local agent	Cargo/Loading	port
Gaz Diamond	20/12	Haid	MBL	Ammonia	-
Dai Hung	21/12	Sing	MBTPL	Sko/Jp-1	-
Lin Coln Shire	19/12	Sing	MBL	Ammonia	-
Torm Gunild	23/12	Juba	ECBL	HSD	-

Vessels at Kutubdia

Name of vessels	Cargo	Last Port	Local agent	Date of arrival
-----------------	-------	-----------	-------------	-----------------

Vessels at outer anchorage:

Vessels ready:				
Name of vessels	Cargo	Last Port	Local agent	Date of arrival
Kota Cahaya(Cont)	Cont	Sing	PHIBD	14/12</