

C'wealth, OECD team up to fight fiscal corruption

BRIDGETOWN, Jan 10: Commonwealth countries and the Paris-based Organisation for Economic Cooperation and Development (OECD) agreed yesterday to join forces to fight tax evasion and money laundering reports AFP.

After two days of tense meetings here, the parties created a joint task force to seek mutually satisfactory ways to achieve these goals.

But the group must hasten its efforts to present a concrete agreement at the OECD conference in Tokyo February 15 and 16, said Sir Owen Arthur, the prime minister of Barbados.

To that end, a meeting will be held in London in late January and an initial report will be released prior to the Tokyo conference.

Last June, the OECD pub-

lished a list of 35 countries and territories it denounced as tax havens suspected of aiding tax evaders and money laundress through favorable fiscal policies.

Among those named were the European states of Andorra and Monaco, several Caribbean nations, including Barbados, and territories controlled by Britain, the Netherlands and the United States.

The countries, none of them members of the OECD, were threatened with sanctions and presented with a schedule of reforms that they were asked to sign against their vociferous dissent. But they will not have to provide their signatures if the task force succeeds in its mission.

Both parties treaded lightly

Tuesday, declaring not a personal triumph but an overall victory.

"We all won," declared Arthur.

"It's a typical win-win situation," agreed British delegate and OECD fiscal chief Gabriel Makhoul.

The OECD measures are part of a larger war on tax evasion, which it says, pose a threat to global financial health and cause a staggering loss in tax revenues.

Developed countries lose 50 billion dollars in revenue each year from citizens who hide their money in tax havens, according to a study by the British poverty-fighting organisation Oxfam.

The OECD set a July dead-

line for countries to cooperate - or face sanctions.

Arthur had expressed anger Monday at what he deemed the high-handed approach of the OECD in dealing with nations that have no representation in the organisation.

"No country or group of countries has a monopoly on defining the way forward," said Arthur, who played a key role in negotiations on Tuesday.

Many participants emphasized that the countries, including many small islands with extremely limited natural resources, drew a major part of their income from the activities for which they were under fire - including offshore fiscal activities, secret bank accounts and lenient regulations on businesses.



Picture shows the Merchant of the Month award-giving ceremony to the Manager of Sonar Bangla Service Station, as part of Vanik Bangladesh Ltd's Merchant Promotional Campaign recently. - VBL photo

Euro zone not ready for rate cuts

HAMBURG, Jan 10: Unemployment in Germany hit five-year lows in December, reinforcing arguments from two leading think tanks that the euro zone was not yet ready for rate cuts, reports Reuters.

Seasonally adjusted data released by the Federal Labour Office yesterday showed unemployment fell in December by 28,000 from the previous month to 3,767 million, the lowest since November 1995.

The drop - slightly bigger than analysts had expected - brought the adjusted jobless rate down to 9.2 per cent from 9.3 per cent, the Bundesbank said.

Unemployment in 2000 as a whole fell by 211,000 to 3.89 million, a drop hailed by Labour Minister Walter Riester as the biggest since German unification a decade ago.

With this positive result we have laid the foundations for a successful 2001. When we expect both a significant fall in unemployment and strong growth in numbers in work, Riester said in a statement.

The jobs data came as buoyant consumer demand was already dampening speculation about an early euro zone rate cut following last week's surprise half-point reduction by the US Federal Reserve, which was prompted by a sharp slowdown in US growth.

The European Central Bank's weekly open market operations resulted in a slight fall in the ECB's variable interest rate to 4.75 per cent from 4.76 per cent last week, reflecting in part tentative expectations of an ECB cut sometime soon.

The Hamburg-based think tank IWWA said that despite signs of clouds on the growth horizon, the European economic upswing would continue this year, making a cut in borrowing costs unwarranted.



Chairman of The Loyeds Insurance Company Limited Fazlur Rahman speaks at the annual conference of the company's Development Personnel in the city recently. - Loyeds photo

Loyeds Insurance holds annual conference

The annual conference of Development Personnel of The Loyeds Insurance Co Ltd was held at the head office of the company in the city recently, says a press release.

Fazlur Rahman, Chairman, and Mohammad Masum, Vice-Chairman, were chief guest and special guest respectively at the conference that was presided over by Md Maqbul Husain, Managing Director of the company.

The chairman expressed his satisfaction over the performance of the company during the first year of its operation. He advised the Development Personnel to do insurance business as per rules now in force in Bangladesh and put emphasis on improved and prompt client service.

The vice chairman also thanked the employees of the company for their achievements and hope that it would be the leading company in the country through its better client service.

The managing director said that the company would expand its activities throughout the country.

Exchange Rates

Following is yesterday's forex trading statement by Standard Chartered Bank.

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
51.5382	51.6251	EUR	50.3383	50.1549	50.0788
81.1623	81.2043	GBP	79.6821	79.4158	79.3610
30.8875	30.9121	AUD	29.8230	29.7305	29.6504
0.4686	0.4687	JPY	0.4564	0.4562	0.4552
33.7256	33.7501	CHF	33.1557	33.0612	32.9767
5.7555	5.7606	SEK	5.6590	5.6414	5.6254
36.4678	36.4924	CAD	35.8853	35.7917	35.7085
6.9598	6.9611	HKD	6.8976	6.8799	6.8625
31.368	31.3891	SGD	30.9298	30.8860	30.7713
14.8919	14.9095	AED	14.5023	14.5242	14.4838
14.5791	14.5975	SAR	14.2395	14.2028	14.1846

Usance export bills

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7041	53.3727	52.9304	52.4217	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
46.60/46.70	59.00/59.30	43.25/43.30	83.15/83.25	9520/9530	0.4464/0.4471

US dollar

	Buying	Selling	Libor	Months	1	3
Cash notes	53.6150	54.2800	USD		5.88125	5.62375
TC	53.5850	54.2600	GBP		5.86250	5.80531

GM, Ford to market hybrid SUVs in '04

DETROIT, Jan 10: General Motors Corp. and Ford Motor Co. pledged to build hybrid sport utility vehicles that are powered by gas engines and electric motors to improve fuel efficiency, reports AP.

Their approaches differ slightly, but both automakers said Tuesday they're committed to building more fuel-efficient hybrid vehicles by the thousands within a few years.

"All of our market research tell us this is the kind of vehicle (consumers) want," GM Vice Chairman Harry Pearce said during media previews for the North American International Auto Show.

Hybrids improve fuel usage by turning off engines at idle, capturing energy from braking and providing some extra boost under acceleration. Until now, GM, Ford and other automakers considered hybrids to be too expensive and too underpowered to find wide consumer acceptance.

Both automakers now say hybrids offer enough benefits in fuel economy with a reasonable cost to warrant major investments. The move toward hybrid vehicles is also a hedge against the potential for a sudden shift in the marketplace. For instance, demand for more fuel-efficient vehicles in Europe last year sent sales of diesel-powered cars soaring.

"We want to lead the market in the technology, rather than scramble if the market changes," said Richard Parry-Jones, the head of Ford vehicle development.

Parry-Jones and Pearce said their companies' hybrid systems could be used in a range of vehicles, not just SUVs.

At what cost remains unclear. While Pearce believes GM could price the hybrids "competitively," consumer costs could hinge on sales volume and manufacturing savings that come with mass production.

GM said it expects to produce at least 7,000 hybrid SUVs for showrooms in 2004, first featuring a 3.5-liter V-6 engine with a pair of electric motors and a regenerating battery pack as part of technology GM has dubbed ParadiGM. A four-cylinder version also would be available.

GM's hybrid SUVs initially could boost fuel efficiency as much as 30 per cent.

So far, Toyota Motor Co's Prius and Honda Motor Co's Insight are the only hybrid passenger vehicles sold in the United States, with each automaker selling the small cars below cost.

Pearce also unveiled an electric-drive system targeted at commercial vehicles like buses. GM said vehicles using that technology get 60 per cent better fuel economy than a comparable diesel engine, emit 90 per cent fewer particulates but accelerate 50 per cent faster.

Ford previously had said it would build about 10,000 to 20,000 hybrid Escape SUVs in 2003. But the company said Tuesday it would likely build far more copies of a hybrid-powered Explorer that will go into production in 2004, using a Volvo-based hybrid system that will appear first on a new Volvo model.

The two SUVs use a slightly different hybrid system, with the Escape capable of getting 40 miles per gallon (17 kilometers per liter) in city driving, while the Explorer will get a combined 27 mpg (11.4 kilometers per liter).

Parry-Jones said while the difference in function was small, the difference in price was greater - about US\$ 5,000 per vehicle for the Escape's system, compared to \$1,000 per vehicle for the Explorer. He said Ford hoped to cut the price of the Explorer system by at least half before it went into production.

Russia, Paris Club tussle over debt payment

MOSCOW, Jan 10: Russia is facing a very tough fight with the Paris Club in its row over payments on \$48 billion of Soviet-era debt and analysts said yesterday the jury was still out on which side would get its way, reports Reuters.

Russia set off a flurry of protests after it said last week it would not pay the approximate \$1.5 billion owed to the Club in the first quarter of 2001 under an original payment schedule agreed in 1996. It seeks a debt rescheduling and relief in payments.

The Paris Club said on Monday it would not condone a unilateral default by debtors and that Russia should fully honour its debt services.

Germany, accounting for 40 per cent of the debt, has insisted Moscow should pay in full and has threatened to suspend export credit guarantees to Russia if it does not.

But Nikoif analyst Alexei Kazakov forecast Russia would not give in to the Paris Club pressure, citing the exchange of letters between the Club and

Russia's Finance Ministry last week as Moscow's victory.

"I am a long-term optimist because it is clear that if unresolved difficulties between Russia and the Club will cause a lot of problems in the short-term," Kazakov told Reuters.

"[But] there is a window of opportunity to solve the problem. The government's firmness inspires hope."

Dmitry Drazhinin, chief economist at the Prospekt investment company, said Russia might have to make political payoffs in terms of being more conciliatory towards the West in certain foreign policy areas if it wanted to win a debt concession.

"Either we agree with political requests and get a rescheduling," he said.

The second option, if we do not accept this, is that we try to pay out of available funds, which will not last for long. Then it is not possible to rule out a default.

Areas where Russia might have to make concessions could include its efforts to forge ties

with several nations shunned by the West, including Iran and Iraq.

President Vladimir Putin's statements on the debt have been equivocal.

He said on Sunday that Russia would honour its foreign debts but later indicated that he wanted leeway to negotiate by saying that no one in the world would like to put Russia into a situation where it would not be able to pay off the loans.

The Paris Club says Russia can fully service the debt because its coffers are full with revenue from oil and metals, the price for which are high on international markets.

But Russia says the windfall is not for long and that it needs a lot of money for structural reforms.

Highlighting this point, Interfax news agency quoted First Deputy Finance Minister Alexei Ulyukayev as saying Russia's trade surplus would decrease sharply in 2001 as commodities prices drop and Russian exports lose some currency advantages.



The 18th annual general meeting of Ashraf Textile Mills Ltd was held on the mill premises recently. - Ashraf Textile photo

Japan's recovery seen gaining momentum as yen slides

TOKYO, Jan 10: Japan's top financial diplomat today gave his country's struggling economy a vote of confidence as the yen flirted with 17-month lows on the dollar, a fillip for exporters hoping to squeeze profits out of the faltering currency, reports Reuters.

The pace and breadth of the economic recovery will gradually quicken and spread further, said Haruhiko Kuroda, vice finance minister for international affairs.

Recent lacklustre domestic economic data and the cooling US economy have renewed concerns over the world's second-largest economy, causing investors to sell the yen and drag down Japanese share

prices on Tokyo's stock exchange.

Japan appears to be favouring a weaker yen to give a crucial burst of strength to exporters. A cheaper yen makes Japanese goods more competitive in offshore markets, although analysts say it could also drive investors away from Japan's domestic markets.

Japanese Finance Minister Kiichi Miyazawa has effectively condoned the yen's recent weakening by saying the market should set the currency's value.

Kuroda declined to comment specifically on the yen rate, saying that Japan's currency policy remained unchanged and that currencies should reflect

fundamentals and show stable movements.

But he emphasised that fundamentals surrounding the three major currencies pointed to a further recovery in the euro.

"The euro had remained too weak compared with fundamentals and it is in a recovery trend. I hop it will strengthen further against the dollar and yen," he said.

Kuroda added that the euro zone economies are expected to show around three per cent growth and the US economy is expected to slowly decline this year, compared with Japan's 1.7 per cent growth target. As such, "the euro should strengthen," he said.



Abdur Raquib, Executive Director of Islami Bank Bangladesh Limited (IBBL), and ACTL Director Nazrul Jamil seen shaking hands after signing a contract for installing Ethernet Network System in the city recently.

DESA Local Tender Notice

নিয়মিত বিদ্যুৎ বিল পরিশোধ করুন
সদ্য বেলায় বিদ্যুৎ ব্যবহার হ্রাস করুন

Memo No PS-2/Pro-2/09 Dated: 03.01.2001

Dhaka Electric Supply Authority invites bids for vehicles against the following tender. The authorised distributors/agents/manufacturers are eligible to participate in this tender. The vehicles shall be brand new & unused.

Sl No	Tender enquiry number	Materials	Last date for buying tender document	Tender submission/opening date	Cost of tender document
1.	09/O&M/Vehicles	Single Cab & Double Cab Pick Up vehicles	11.02.2001	13.02.2001	Tk 5000/-

Tender documents will be available for inspection and purchase (through application) during normal office hours in any of the following offices:

a) Divisional Commissioner, Dhaka Division, 1st 12 storied Govt Building, Dhaka	b) General Manager, Consumer's Services (North), Dhaka Electric Supply Authority, House No-73, Road No-S/A Dhanmondi, Dhaka
c) General Manager, Consumer's Services (South), Dhaka Electric Supply Authority, 12/1/A, Motijheel C/A, Dhaka	d) Project Director, Greater Dhaka Power Distribution Project, House No 47, Road No 135 Gulshan, Dhaka
e) Director, Procurement & Store Management Dept., Dhaka Electric Supply Authority, 1, Abdul Ghani Road, Dhaka-1000	f) Secretary, Dhaka Electric Supply Authority, 1, Abdul Ghani Road, Dhaka

The cost of tender documents (non-refundable) shall be paid through Pay Order/Demand Draft issued by any scheduled local bank favouring Director, Finance & Accounts, DESA. Tender document shall be obtained personally and DESA will not take any responsibility for sending tender documents to any body.

Tenders shall be received in the abovementioned offices on the specified date up to 11.30 hrs (BST) and tenders received will be opened publicly on the same day at 2.30 hrs (BST) in the office of the undersigned in presence of the bidders/their representatives, if any. Late tenders, if any, shall summarily be rejected.

DESA reserves the right to accept or reject any or all bids at any stage without assigning any reason thereof.

D.F.P.-326-7/1
G-96

Director
Procurement & Stores, DESA.

US economy to avoid falling into recession

WASHINGTON, Jan 10: The top economist at US financial analysts, Merrill Lynch, yesterday slashed his growth forecast for the United States this year by half a point, but predicted the economy would avoid falling into recession, reports AFP.

"It certainly feels like a recession to many companies whose earnings will decline but we don't believe the economy is contracting," Merrill Lynch economist Bruce Steinberg wrote in a widely distributed analysis.

His comments came a day after another leading US broker, Morgan Stanley Dean Witter, warned that US economic activity would contract early this year, although for the full 12 months the country would show growth of 1.1 per cent.

Morgan Stanley had previ-

ously foreseen a 2.5 per cent expansion this year in US gross domestic product (GDP).

A recession is traditionally defined as two consecutive quarters during which an economy fails to grow.

Merrill Lynch's Steinberg on Tuesday predicted first quarter US GDP to expand at an annual rate of 1.5 to two per cent, half a point less than earlier projections.

Second quarter GDP would grow between two and 2.5 per cent, according to Steinberg, leaving first half growth at around two per cent - weak but definitely not a recession.

"While we don't believe the economy will be in recession, profits will be," Steinberg said, with year-on-year corporate profit growth rates negative in the first six months of 2001.

Directorate General Defence Purchase
Ministry of Defence
New Airport Road, Tejgaon, Dhaka-1215

Tender Notice

1. Sealed tenders in local currency are invited from bonafide manufacturers/dealers/suppliers/indentors (whilst firms in DGDP) for supply of the following items for Bangladesh Air Force.

Sl. No	Name of Items	Date of Selling From	Date of Selling To	Date of opening	Currency	Tender No	Cost of IT
a.	Spares for Crane (BA No. 11007) Qty-06 L1	18-01-2001	14-02-2001	15-02-2001	Local	8006/AP-8	Tk. 50.00
b.	Telephoto Lens, Qty-03-Ea	18-01-2001	31-01-2001	01-02-2001	Local	7847/AP-3	Tk. 50.00

2. Tender schedule with detailed specifications/conditions will be available on payment in respective value (Non-refundable) on any working day between 0800 hrs to 1300 hrs. The tender will be opened on the specified date at 1000/1200 hrs in presence of the bidders (if present).

ISPR/Misc/2001/06
D.F.P. 303 7/1
G-95

Squadron Leader
for Director General