

# ASEAN to make united move to stabilise wobbly currencies

## Finance ministers meet in KL today

REUTERS, Kuala Lumpur

Southeast Asian finance ministers meeting this weekend will pledge to close ranks to stabilise their wobbly currencies in the face of a declining yen and global slowdown.

Thai Finance Minister Somkid Jatusripitak, who was one of the first to arrive on Friday in Kuala Lumpur, said the ministers will also search for a consensus to create a currency safety net to ward off future attacks on Asian currencies.

"We are going to have cooperation among ASEAN nations to stabilise regional currencies," Somkid told reporters ahead of the 10-member Association of South East Asian Nations finance ministers meeting on Saturday and Sunday.

Somkid said the Thai baht had been dragged down by falling regional currencies but there was no cause for alarm. The baht hit a 37 month low of 45.72 on Friday.

"I don't think it will be a serious one because our fundamentals are still strong," he said.

Top Japanese finance officials on Thursday propped up the yen from 30-month lows by saying the slide was rapid and authorities would intervene if needed - but it fell over one per cent on Friday on disappointment with a government economic package.

The Southeast Asian ministers hope to extract assurances from Japan that it won't let the yen fall

too far, as their currencies are being dragged down to multi-year lows in its wake.

Indonesian Finance Minister Prijadi Praptosubardjo backed his Thai counterpart, saying a web of Asian currencies would provide insurance against a future currency crisis.

The currency swap plan envisages linking the international reserves of ASEAN countries - Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam - with those of China, South Korea and Japan.

Senior finance officials meeting ahead of the weekend conference said the regional block was yet to agree on a role for the International Monetary Fund in the Asian currency swap plan.

The initiative envisages tying disbursements under the scheme to reforms supervised by the Washington based IMF, a proposal which host Malaysia staunchly objects to.

Thailand threw its support behind Malaysia today. Asked if there was any scope for IMF's participation in the bilateral currency swap plan, Sathit Limpongpan, a senior Thai finance ministry said: "I don't think so."

During the 1997/98 Asian financial crisis, Thailand opted to take an IMF bailout package while Malaysia refused, instead introducing capital controls and a currency peg.

## Qatar hopes for peace at WTO meet in Nov

REUTERS, Geneva

A senior Qatari official said Thursday his country wanted to offer an island of peace for a key meeting of ministers from the 140 members of the World Trade Organisation (WTO) in November.

Abdullah Bin Ahmad al-Thani, who heads the information committee for the conference, also told reporters that non-governmental organisations (NGOs) attending would be allowed to express their views and demonstrate peacefully.

Qatar, he said, would be open "for people who want to come moderately to exchange views and to listen to the views of others."

"We want to offer a peaceful island where we can all reflect on the future of world trade," he added.

Al-Thani was speaking after meeting representatives of a range of NGOs, some of whom took part in sometimes violent protests against the last WTO ministerial meeting in Seattle in December, 1999.

He said facilities would be provided for NGOs to put over their views and stage peaceful demonstrations if they wished.

Some groupings opposed to the WTO, which they regard as the motor of globalisation, have accused the organisation of agreeing to go to Qatar in order to avoid facing critics who have dogged many international meetings in recent years.

WTO officials reject this, noting that the decision to accept the Qatari invitation was taken by its member countries - most of whom are poorer states whose interests the anti-globalisers say they want to defend.

Al-Thani said security would be aimed at ensuring that the some 4,400 ministers, trade negotiators, journalists and NGO representatives would feel safe and could carry out their work.

# US slowdown may offer new opportunities for Indian IT

AFP, New Delhi

The slowdown in the US economy will open up new opportunities for the Indian information technology sector, rather than denting its growth, a survey by the Confederation of Indian Industry (CII) said Friday.

"While there were some concerns over the impact of slowdown, the overwhelming response was that the slowdown in the US had provided a great opportunity for Indian software and services companies," CII said in a statement.

India's premier industry association has many information

technology firms as members.

"It is believed that the bigger Indian companies primarily engaged in maintenance work will not be affected in a major way, as maintenance of existing software and services would continue to be necessary," the CII said.

The total number of new software research and development projects would fall in the short term but only a handful of Indian firms were in this segment, the respondents to the CII survey said.

However, recruiting of software professionals in India by overseas firms was likely to be reduced.

"Respondents felt in the medium and long term that the slow-

down offered a great opportunity to Indian companies for moving projects to India - from onsite to offshore," the CII said.

"US corporates looking to cut costs will find outsourcing their work to India attractive. This would ensure that exports from India may continue to grow."

The survey respondents suggested the government could help draw more overseas companies to India by cutting telecommunication costs and improving infrastructure.

India's booming software industry has consistently recorded year-on-year export growth of about 50 per cent.



A Chinese worker at US-based fast food giant McDonald's mops the store's front entrance in Beijing yesterday. As in the past during times of strained Sino-US relations, for many US firms and their Chinese employees it is business as usual and diplomatic flare-ups between US and China are seen as a normal, but not salient part of the business landscape.

# Australia to pursue free trade pacts across Asia

AP, Canberra

Australia is pursuing a two-way free trade agreement with Thailand and will push for similar pacts with countries across eastern Asia, Trade Minister Mark Vaile said Friday.

The talks with Thailand are the second with a country from a free trade group formed by Association of South East Asian Nations (ASEAN) after Canberra's bid to join the ASEAN Free Trade Area (AFTA) was blocked by Malaysia last year.

Since then Australia has begun negotiations with Singapore for a two-way free trade agreement and is now hoping to begin similar

negotiations with Thailand.

Trade Minister Mark Vaile said Australia had a very strong focus on strengthening economic relationships with all ASEAN nations.

"At the same time we're negotiating with Singapore. If we get the opportunity to move to the next stage with Thailand, we will do the same there," Vaile told Australian Broadcasting Corp. radio.

The government was preparing to take advantage of opportunities provided by countries prepared to walk at the same pace as Australia, Vaile said.

"And ultimately we'll move right across the region."

# Government of the People's Republic of Bangladesh Facilities Department, Ministry of Education Shikha Bhaban, Dhaka Tender Notice

Notice No. FD/IDB/Loan/2000-2001/18 Dated : 25/03/2001  
Sealed tenders (in two envelop system) in Bangladesh Form No. 2908 are hereby invited from the bonafide sole distributors/dealers for supplying A) Vehicles (Jeep) for the sake of proper supervision of the project work of project "Construction of Selected Madrasa Under the Assistance of Islamic Development Bank (IDB)", Facilities Department, Ministry of Education, Shikha Bhaban, Dhaka.

Specifications, quantities, terms and conditions etc. are mentioned in the tender documents. Tender documents may be obtained from the office of the undersigned, Executive Engineer, Dhaka Zone, Office of the Divisional Commissioner, Dhaka and concerned section of Ministry of Education, Dhaka on all working days during office hours on or before 19/04/2001 on submission of a written application on printed letter head pad of the interested bidders.

Tenders will be received at the office of the undersigned up to 12.00 Noon on 26/04/2001 and technical offer will be opened on the same day at 12.30 PM in presence of the bidders, if there be any.

Each tender must accompany with earnest money @2.5% (two & half per cent) of the bid amount in the form of Bank Draft/Pay Order from any scheduled bank of Bangladesh in favour of the "Chief Engineer, Facilities Department", Ministry of Education, Shikha Bhaban, Dhaka.

### Instructions:

1. Insertion of any additional clause in the tender by the tenderer will render his tender to summarily rejection.
  2. Letter of authority from the manufacturer will have to be submitted along with the tender.
  3. Tenderers will submit a performance certificate of a similar nature of work.
  4. Other than manufacturer and authorized dealers, the bidder must submit authorization certificate from the manufacturer/authorized distributor, otherwise tender shall be treated as cancelled.
  5. All bids should accompany with the original catalogue.
  6. Earnest money will be enclosed with in financial offer.
- The authority reserves the right to accept or reject any or all tender/tenders without assigning any reason whatever.

Md. Monwar Hossain Chowdhury  
Chief Engineer  
Facilities Department  
Shikha Bhaban, Dhaka.

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# New rice varieties may boost output by 50pc

REUTERS, United Nations

New varieties of "miracle" rice developed in West Africa could soon help African and Asian farmers grow up to 50 per cent more of the vital staple each year in far less time.

The UN Development Programme (UNDP) says the New Rice for Africa - dubbed NERICA - combines the hardiness of African strains with the higher yields of Asian breeds.

Three years of testing in Guinea and Ivory Coast in West Africa have shown that the new varieties, while not requiring fertilizer, are richer in protein and better resist disease, drought and pests than currently grown varieties, UNDP officials said on Wednesday.

NERICA also matures 30 to 50 days earlier, and its broad blades grow out so quickly that they shade weeds trying to grow nearby. That means less labour-intensive weeding.

The West African Rice Development Association, which developed the strain with UNDP support, is conducting a workshop next week in the Ivory Coast city of Bouake to identify national part-

ners to help promote the new seed.

Japan, the Rockefeller Foundation, the US Agency for International Development, the African Development Bank and the UNDP are helping organise the workshop, which 17 West African countries and three East African nations are expected to attend along with Thailand, the Philippines and Malaysia.

"This is one of the rare cases where we are seeing the transfer of technology from Africa to Asia, instead of the other way around, said Peter Matlon, acting leader of the UNDP's Environmentally Sustainable Development Group.

"We're making a lot of seed available and moving it out," he said in an interview.

While farmers initially will focus on building up supplies of seed, it will soon be a food crop, helping to battle poverty, UNDP said. It is expected to lead to bigger crops at lower cost and bring down prices for countries importing rice supplies.

NERICA is the latest entry in a succession of "miracle rices" that have been credited for helping to spur a Green Revolution in the developing world.



Cattle lay in lines after being slaughtered in North Dykes, near Penrith, yesterday. The cows were killed earlier in the week after being diagnosed with the foot-and-mouth disease. Britain now has more than 1000 cases of the highly infectious animal disease resulting in hundreds of thousands of animals being culled but reports of new infections is beginning to slow.

# Japan unveils economic package to tackle structural problems

REUTERS, Tokyo

Japan Friday unveiled a package of economic measures to bolster the economy by tackling structural problems in the financial sector that have constrained growth for a decade.

The package which comes after an embarrassing two-day delay, is aimed at helping banks to dispose of mountainous non-performing loans and stabilising the financial system by delinking the stock market and bank capital via a special fund to buy banks' shareholdings.

The economic improvement has stalled and a move for a full recovery led by private demand has slowed, Prime Minister Yoshiro Mori told meeting of the government and ruling coalition parties called to approve the package.

"Structural problems are behind such weak economic conditions and our priority is to get to the root of those problems," he said.

The officials had failed to finalise earlier in the week amid differences over timing.

Financial markets welcomed the measures, with the Nikkei average of Japanese blue-chip stocks rising nearly two per cent within minutes of the Tokyo market's opening.

Bank of Japan governor Masaru Hayami welcomed the measures. He has repeatedly said the central bank's recent monetary easing that marked a de facto return to zero interest rates would have

little effect without structural reform of the banking system.

"Japan needs to promote structural reforms," Hayami told reporters, adding that the package included steps for just that purpose. "I welcome (the package) very much."

**Pressing need**  
The need for action has become increasingly urgent as Japan's already fragile economy has been hit by a slowdown in the US economy and as the benchmark Nikkei share price average recently

plumbed 16-year lows.

Yet concerns persist about how effectively the package could be implemented, with unpopular Prime Minister Yoshiro Mori announcing his decision to resign. His Liberal Democratic Party is set to elect a new leader on April 24.

In addition, the three-party ruling coalition is anxious about recovering popularity in the run-up to an election for the Upper House in July.

The policy chief of Japan's dominant Liberal Democratic

Party (LDP), Shizuka Kamei, sought to allay such concerns, saying the package would be implemented regardless of who becomes the next prime minister.

"As long as we follow the policies of the ruling coalition parties, it doesn't matter," he told reporters.

It proposed a two-year limit for banks to dispose of existing loans to borrowers who were already bankrupt or at risk of failure and a three-year limit for fresh bad loans.

little more than an "artificial support for the stock market".

Hirohichi Shirakawa, chief economist at UBS Warburg said the failure to set a date for the establishment of the stock-buying fund suggested a risk that the "myopic" measures might not be implemented.

"We believe that that the package is not effective enough to accelerate industrial reforms or to heighten Japan's potential economic growth."

The proposals to set a two-year deadline for the writing-off of bad loans failed to deal with the need to let weak companies fail to achieve real structural reform, he added.

The coalition and the government remain reluctant to take a bitter medicine," he said.

"The proposal will unlikely provide a trigger to promote meaningful industrial reforms."

# Analysts dub package inadequate

AFP, Tokyo

Japan's emergency economic package is likely to fail in its aims of restoring health to banks and the share market and putting Japan back on the path of sustained economic growth, analysts said Friday.

The share market reacted with indifference to the package approved by the cabinet earlier Friday and analysts wrote it off as little more than an attempt to disguise underlying problems.

The Tokyo Stock Exchange's Nikkei average closed up just 2.38 points at 13,383.76. Brokers said the market had already factored in the widely-publicised main points of the package and said there were no positive surprises.

Economists described the plan as disappointing and said it was unlikely to achieve its aims. Chief Cabinet Secretary Yasuo Fukuda

said it was intended to tackle "structural reforms which is an emergency task for the nation".

Peter Morgan, economist at HSBC Securities called it "another empty package."

"We had expectations that this package might be of value because it appeared to address some of the structural problems of the Japanese economy," Morgan said in a report.

"Sadly, it looks as though the government has missed its chance."

Assuming the banks would be required to reduce their share portfolios to the equivalent of 100 per cent of their capital over three years, there would only be a minor increase in the share disposals seen over the past two years, Morgan said.

He said this would mean the body would contribute little to reforming the banks and would be

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Md Abul Kashem  
Executive Engineer  
PWD Division, Jhalakati.