

## BOJ expands market operations, leaves policy unchanged

AFP, Tokyo

The Bank of Japan (BoJ) left an ultra-loose monetary policy unchanged Wednesday and unveiled plans to expand its troubled market operations to keep the beleaguered economy flushed with cash.

But analysts said the central bank was running out of options to fight Japan's economic slump with funds, highlighted later Wednesday when a BoJ attempt to boost liquidity failed for the third time in three days.

They said the main problem was an unwillingness by lenders to take on more risk by expanding loan portfolios and a corresponding reluctance by most companies to take on more debt amid a recession.

The BoJ's nine-member policy board decided by majority vote to leave the level of money it authorises banks to deposit as reserves at between 10-to-15 trillion yen (76.3-114.5 billion dollars).

"I think the economy will face a critical point in January to March," said central bank governor Masaru

Hayami.

"However, we have already taken enough measures as we laid out at today's policy meeting the details of open-market operations," he said.

The BoJ fleshed out plans to expand money market operations to keep current account reserves at targeted levels.

But its liquidity-boosting measures have repeatedly failed as demand for cash falters, demonstrating the need to increase the number of instruments used to transfer funds to the banking sector, analysts said.

On Wednesday an offer for repurchase agreements of government bonds fell short of its 500 billion-yen target.

"If this continues, this might show that we are facing some sort of difficulty, but we have various operations," said BoJ spokesman Satoru Yamadera.

The bank said it would raise the pool of Japanese government bonds (JGBs) for financial institutions to buy or sell, and work with bonds less than a year old unlike before.

## China plays down WTO rivalry with India, seeks \$10b trade

AFP, Bombay

Chinese Premier Zhu Rongji said Wednesday that China and India should be partners rather than rivals in the World Trade Organisation (WTO) and called for a more than three-fold increase in bilateral trade from the present figure of three billion dollars.

"China and India, the two largest economies of Asia, must be complimentary to each other rather than competitive and China will step up cooperation with India in the World Trade Organisation," Zhu told a meeting of top Indian business leaders in Bombay.

Pointing to stagnating two-way trade, Zhu said volume should be increased to 10 billion dollars, but gave no time-frame.

"While China has been posting annual growth of over 7 per cent, India has posted growth of 6 per cent annually in the past few years. This makes the two economies the fastest growing and they must be complimentary," he said.

Wider and deeper reforms in the Chinese economy will help India and offer fresh opportunities to Indian companies," he added.

"Indian companies must come to China, while Chinese firms must increase ventures with Indian counterparts. We will not be complacent about our existing reforms, but initiate further initiatives that will help India also and the world at large."

China's opening-up as a result of its WTO entry in December is seen by many countries as a chance to tap its vast market, but some Asian economies, including India, fear Chinese goods will swamp the globe at their expense.

Increased competition as a result of China's membership of the global trade body will force Indian manufacturers to shed a lot of flab and cut operational costs in vital industries such as textiles, which makes up a third of India's exports.



Building Technology & Ideas Ltd (BTI), an ISO 9001 certified real estate developer in the country, recently handed over its project—Willow Dale—at Banani in the city to the owners. Picture shows (From right) Senior Executive Customer Services, Finance Manager, Director-Construction, Deputy Managing Director and Marketing Manager of the company at the handing over ceremony.

## Experts point to gross errors in Enron accounting

AFP, Washington

Accounting firm Arthur Andersen committed gross errors in its handling of collapsed US energy titan Enron, experts said Tuesday.

Experts called for deep accounting industry reforms as the scandal gathered pace with the revelation that an Enron insider warned of the "funny accounting" four months before its bankruptcy.

"Arthur Andersen is going to have a very tough time defending the opaque disclosures that Enron managers made," said Edward Ketz, associate professor of accounting at Pennsylvania State University.

In particular, he said, Arthur Andersen had allowed 1.2 billion dollars to be booked as an asset when the money was only a receivable and was in fact never handed over.

The company also would have a tough time explaining why it failed to consolidate limited partnerships

into Enron's accounts instead of leaving the figures off the balance sheet.

"Someone at the top of the firm made the decision and I just think it is indefensible," Ketz said.

"They are going to get sued, probably (for) billions of dollars," he added.

The Securities and Exchange Commission or federal prosecutors would be examining the issue of fraud, he said.

"The negligence was so gross that it may constitute fraud."

Robert Tucker, professor of accounting at Fordham University in New York, said the key question was whether Enron's "special purpose entities" -- which carried large sums of the company's debt -- should have been consolidated into its accounts.

"The truth was that the amount that was lent to the special purpose entities was backed by collateral of Enron stock... so it was not an out-

side equity," Tuckers said.

"The whole debt of their subsidiaries should have been consolidated in the parent company," he said.

Tucker said top Enron financial staff and Arthur Andersen had the required knowledge for sophisticated accounting engineering.

"I do not think the firm was completely naive about this arrangement," he said.

Both experts said reforms were required to the accounting industry, although the rules themselves were adequate.

"The investing public needs to have a voice in the audit reporting process and in order to do that we need governmental oversight," Tucker said. He called for accounts to be reviewed by the SEC.

Ketz recommended that greater powers be given to the auditors to allow them to stand up to pressure from clients.

## Myanmar agrees to join Asian rice cartel

AFP, Yangon

Myanmar has agreed in principle to be part of a rice "cartel" formed by Asia's leading rice exporters aimed at regulating prices as well as stabilizing the world market market sources here said.

Thailand, Vietnam, China, the United States, Pakistan, India and Myanmar in that order -- are the world's leading rice exporters with annual exports totalling 18 million tons according to 2000 figures.

The envisaged six-nation organization would comprise Thailand, Vietnam, China, Pakistan, India and Myanmar which together make up 70 per cent of the world's rice exports, the industry sources said.

Thailand floated the proposal last month, saying the association would be modelled on the Organization of Petroleum Exporting Countries (OPEC) but would not act as a price-fixing cartel.

## Argentina may scrap fixed dollar rate in five months

AFP, Buenos Aires

Argentina expects to scrap its dual exchange system within five months, going away with a fixed dollar rate of 1.40 pesos, and only maintaining the floatation of the currency, President Eduardo Duhalde announced Tuesday.

The move had been recommended by the International Monetary Fund.

Duhalde told foreign journalists that Economy Minister Jorge Remes Lenicov estimated it would take "a trimester to four or five months before the dollar is floated freely."

The government last week scrapped the 11-year-old parity between the peso and the dollar and floated the national currency on the open market, while at the same time setting a fixed dollar rate of 1.40 for certain transactions.

Argentines buying dollars on the free market had to dish out about 1.70 pesos.

## WTO ruling may lead to EU sanctions against US products

AFP, Geneva

A World Trade Organisation ruling on Monday that US export tax breaks for US companies violates WTO rules could lead to punitive duties being slapped on US products by the European Commission.

A European Union guideline list of US products that could be subject to import duties was submitted to the Geneva-based WTO in November 2000 after the trade body's first condemnation of the US tax law.

The list includes key products produced by the US -- cereals, aircraft and spacecraft, iron and steel, nuclear reactors, boilers, mechanical appliances, electrical machinery, clothing and footwear, aluminium, tools, toys, paper, wood, books and newspapers, and wool and cotton.

In drawing up the list, the 15-nation EU chose a wide assortment of goods with a view to targeting a limited number of US products with 100-per cent import duties.

Monday's ruling against the US by the WTO appellate body was the fourth and final condemnation of the US system known as the foreign

sales corporation (FSC) provision of US tax law.

The FSC allows US companies to establish offshore subsidiaries where they enjoy significant tax breaks on profits earned from exports.

The EU now has the right to seek sanctions against the US.

Published on November 27, 2000, the EU's indicative list accompanied its request for WTO authorisation to impose four billion dollars' worth of sanctions against the US -- the amount of damage Brussels claims from the FSC system.

But several stages remain before the sanctions could be introduced. The appellate body's ruling is to be formally adopted in late January.

Then the EU must present its request for retaliatory measures, a move that will go before arbitrators who also decide the level of damage. The arbitrators' report is to be released in late March.

Brussels will again have to come before the WTO's dispute settlement body to obtain permission for imposing sanctions.

**Government of the People's Republic of Bangladesh**  
 Directorate of Women's Affairs  
 Women Assistance Programme  
 37/3, Eskaton Garden Road, Dhaka  
 Memo No. DWA/Dhaka/WAPP/নির্বাহক/পাব/77 (2nd)/3573 Dt: 6.1.2002

**Legal & Rehabilitation Assistance to Oppressed Women**

'Women Assistance Programme' implemented by Directorate of Women's Affairs under Ministry of Woman and Child Affairs is working for legal assistance and rehabilitation of helpless, distressed, destitute & oppressed women. Such programmes are being run at Dhaka, Chittagong, Rajshahi, Khulna, Barisal & Sylhet Divisional towns. All kinds of legal assistance is provided free of cost to oppressed women under this programme. Besides, programme is undertaken to provide food, clothing, medical treatment, primary education, vocational training free of cost with temporary accommodation facility to distressed & destitute women (including two children of maximum 12 years of age). For rehabilitation of the women they are given in cash an amount equivalent to the price of a sewing machine or an amount to run a small business, at a time, on evaluation of the training after its completion.

Distressed, destitute or oppressed women in the country or their guardians are requested to contact the undermentioned addresses of their respective divisions for obtaining legal & rehabilitation assistance.

**Directorate of Women's Affairs is dedicated to your service.**

Project Director	
Women Assistance Programme	
Directorate of Women's Affairs	
Dhaka	
<b>Contact address:</b>	
Women Assistance Programme	Women Assistance Programme
Women's Oppression Resistance Cell	Women Assistance Centre
37/3, Eskaton Garden Road, Dhaka	1/6-A, Block-B, Lalmatia, Dhaka
Phone: 9350391, 411484	Phone: 9135199
Women Assistance Programme	Women Assistance Programme
House No 354, Road No 14, Block-B	Satellite Town, Sector No 3
Chandgaon Residential Area, Chittagong	House No 1
Phone: 031-6719937	Rajshahi, Phone: 0721-761065
Women Assistance Programme	Women Assistance Programme
25, Boyra Main Road, Khulna	College Row, Barisal
Phone: 041-732428	Phone: 0431-55708
Women Assistance Programme	
80, Majumdar, Ambarkhana, Sylhet	
Phone: 0821-722040	

**Government of the People's Republic of Bangladesh**  
 Local Government Engineering Directorate  
 Office of the Executive Engineer, Manikganj  
 Memo No LGED/EE/Manik/C-1053/2001/30 Dated: 02.01.2002

**Tender Notice**  
 No. 12/2001-2002

- Sealed tenders in Bangladesh Form No 2911 are invited from upto date renewed LGED enlisted all class contractors' firms for implementation of the undermentioned works under priority basis project (2nd part).
- Schedule of works can be purchased at prescribed price (non-refundable) from the office of Project Director, Priority Basis Project, LGED Head Office, Dhaka-1207; Executive Engineer, LGED, Dhaka, Narayanganj, Munshiganj, Gazipur, Narsingdi; District Executive Engineer's Office, this district's respective upazila engineer's office & office of the undersigned on 27.01.2002 up to office hours. Tenders will be received in tender box kept at the said offices up to 1-00 PM of 28.01.2002 and the tenders will be opened on the same day at 2-00 PM at the said offices in presence (if any) of the attending tenderers.
- Earnest money at the rate 2.50% (two & half per cent) of the estimated cost should be submitted with the tender in the form of BD/CD/Pay Order from any scheduled bank in favour of the undersigned.
- Gross rate (% below/above) on total working cost for the work should be quoted, but the tender will be treated as cancelled if the rate is more than 5% below. Rate analysis must be submitted if the rate is submitted at more than 5% above.
- Itemwise work plan must be submitted with the tender. Tender without work plan shall be treated as cancelled.
- In case of more than one tender submitted at the same rate, the contractor shall be selected through lottery.
- Update TIN & VAT registration certificate should be submitted with the tender. Otherwise tender will be treated as cancelled.
- Laboratory test should be done with a view to ensuring the prescribed standard of work stated in the schedule of items and its cost should be borne by the contractor. It may be noted that approval of the undersigned should be obtained prior to procuring materials at site.
- In applicable case, VAT & Income Tax will be deducted on the basis of gross bill including the value of salvaged materials. The price of salvaged materials will be deducted as per the quantity mentioned in the schedule and under no circumstance it will be changed.
- During progress of road/bridge repair or rehabilitation work, arrangement for traffic movement should be ensured at own responsibility & cost by the contractor and cleanliness should be maintained at the site.
- During progress of work the contractor/his representative should remain present round the clock at the site and maintain site order book.
- Rate must be quoted in figures & words. Only the rate written in words will be considered. No striking off, erasing-overwriting in quoting rate is acceptable.
- The tender purchase receipt must be enclosed with the tender and group code number should be superscribed on the envelope.
- Tenders can be submitted as per the tender notice to the tender receiving offices by acknowledgement due post (registered with AD). But in this case tenderers should reach the respective office prior to the last time of receiving tender. Otherwise that will not be acceptable.
- If any tenderer is found to be obstructing other tenderer in purchase or submission of schedule or helping in negotiation, then the tender and enlistment of the respective contractor will be cancelled.
- The amount of work mentioned in the schedule may be less/more after approval of estimate by higher authority, which the contractor shall be bound to execute as per terms & conditions of original contract or executive as per advice of the engineer in charge.
- Bill will be paid subject to fund availability for the respective project.
- Work order will be issued subject to receipt of approval of respective estimate by higher authority only.
- The authority reserves the right to reject any tender or all tenders without assigning any reason.

Code No	Name of project	Estimated cost	Amount of earnest money	Price of schedule	Time limit for completion of work	Class of contractor
012200001	Development of road from Maluchi Bazar to Kushtia High School under Shibhaloy upazila (part-1).	1775048.00	44376.00	750.00	60 days	LGED's 'B', 'A' special class & different projects pre-qualified.
012200002	Development of road from Maluchi Bazar to Kushtia High School under Shibhaloy upazila (part-2).	1686296.00	42158.00	750.00	60 days	-do-

DFP-230-5/1 G-121

**Executive Engineer**  
 LGED, Manikganj.

## CURRENCY

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

Selling	Currency	Buying	TT Clean	OD Sight	OD Transfer
58.5500	58.5800	USD	57.4000	57.2314	57.1661
52.1446	52.1713	EUR	50.1733	50.0260	49.9689
84.8038	84.8473	GBP	82.1624	81.9210	81.8276
30.7690	30.7838	AUD	29.2186	29.1308	29.0976
0.4483	0.4485	JPY	0.4343	0.4330	0.4325
35.2732	35.2913	CHF	34.2666	34.1660	34.1270
5.6671	5.6700	SEK	5.4750	5.4589	5.4527
37.0499	37.0689	CAD	35.9356	35.8301	35.7892
7.5148	7.5186	HKD	7.3530	7.3314	7.3231
32.1766	32.1921	SGD	31.2858	31.1939	31.1583
16.0724	16.0806	AED	15.5026	15.4571	15.4395
15.7376	15.7456	SAR	15.1852	15.1406	15.1233

Usance export bills

TT Doc	30 days	60 days	90 days	120 days	180 days
USD	57.2817	56.9282	56.4564	55.9139	55.3242
EUR	50.0699	49.7610	49.3486	48.8743	48.3589
GBP	81.9930	81.4871	80.8117	80.0351	79.1910

The local interbank foreign exchange market was active Wednesday. Demand for dollar was high. Demand for BDT for overnight borrowing at call was high and the call rate ranged between 12 and 14 per cent.

In the international market, yen trickled lower but drew some support after a senior Japanese Finance Ministry official voiced understanding of Asian complaints over yen's weakness. Meanwhile, the market reacted coldly to widely expected Bank of Japan's decision to keep the monetary policy unchanged. The yen has slid about ten per cent against the dollar and the euro over the past two months. Yen was affected by Japan's willingness to let it be weak to aid exports and to fight off deflation. Asian neighbours of Japan may trigger another round of devaluation to tackle yen's weakness. To fend off such possibilities Japanese officials have changed their rhetoric.

At 1400 hrs on Wednesday, euro traded at 0.8826/29 against dollar, pound sterling at 1.4386/96 and yen traded at 131.42/43 against US dollar.

This memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.

## SHIPPING

**Chittagong Port**  
 Berth position and performance of vessels as on 16.1.2002.

Berth No	Name of Vessels	Cargo	Last Port	Local Agent	Date of Arrival	Leaving	Import disch
J/1	Virginia (Liner)	GI	Sing	Prog	10/1	18/1	2722
J/2	Elanin	GI(Ma/Lg)	Yang	Royal	11/1	16/1	196
J/3	Puma (24)	Spl Cargo	Bomb	Everatt	15/1	16/1	
J/4	Oriental Queen	C Clink	Thai	RML	10/1	22/1	936
J/5	Pacific Emerald (Ebb)	GI (Cop/Lg)	Kara	Litmond	23/12	17/1	389
J/6	Maersk Constellation	Wheat(G)	Jaci	Lams	12/1	19/1	1554
J/7	An Lu Jiang	Urea (BC/C)	Sing	Uniship	6/1	18/1	1049
J/8	Da Tian	Urea (BC/C)	Yang	Litmond	9/1	25/1	1418
J/9	Jin Cheng (Liner)	GI	Busa	BD Ship	10/1	17/1	2690
J/11	Banga Bijoy (Flag)	Cont	Col	Bandhi	13/1	16/1	
J/12	Kola Berjaya	Cont	Sing	PI (BD)	11/1	16/1	
J/13	Kuo Hsiung	Cont	P Kel	QC SL	10/1	16/1	
CCT/1	Ghooek	Cont	Sing	RSL	12/1	17/1	1/34
CCT/3	Banglar Shikha (Flag)	Cont	Sing	BSC	13/1	17/1	121X
G/SJ	Makmur Perkasa	TSP/PI	Sing	BSC	9/1	20/1	1858
RM/4	Trompeteros	CDSO	Kaki	Rainbow	12/1	17/1	3000
RM/6	Dai dong	HSD	Sing	MSTPL	15/1	17/1	8032
DOJ	Banglar Jyoti	C Oil	K Dia	BSC	R/A	17/1	13116
DDJ/1	Sonal	Repair	Yang	Angelic	31/10	22/1	
RM/9	Banglar Mookh	Idle	-	BSC	R/A	20/1	
CJ/Jetty	Tug SBM-1	Ballast	Sing	OTBL	9/12	-	
	Tug Jubilee Dua	Ballast	Sing	OTBL	9/12	-	
Kalco (A)	Gaz Hudson	Ammonia	Hald	MBL	13/1	16/1	1100

Name of vessels	Date of Arvl	L Port	Local Agent	Name of Cargo	Loading
Togo Charm	16/1	Lang	Seacom	C Clink (OCJ)	
Keng Tung (T2) 12/1	16/1	Yang	Everett	GI (STC)	L/Sig
B Lana (Cont) 15/1	16/1	Sing	BDShip	Cont	L/Sing
BC Cook (Cont) 6/1	16/1	P Kel	PSSL	Cont	L/Sing
Jeon Jin	16/1	-	Atlantic	R. Phos (TSP)	
Rizcum Trader	16/1	Yant	Litmond	Urea (BC/C)	M. Jetty
Zee One	17/1	-	PSAL	Fert (BC/C)	M. Jetty
Amazon	17/1	Bont	Uniship	Urea (BC/C) MU	
Xpress Resolve (Cont) 5/1	18/1	Col	Everest	Cont	L/Col
Al Muzlaba	18/1	Col	CLA	GI (S.Ash)	
Triumph Mumbai	18/1	Sing	RML	GI (Equip)	
QC Primal (Cont) 3/1	18/1	P Kel	QC SL	Cont	MGL
QC Lark (Cont) 9/1	18/1	P Kel	QC SL	Cont	L/P Kel
Uni Wealth (Cont) 8/1	18/1	Sing	RSL	Cont	L/Sing
Discoverer	18/1	T PK	BSL	C Clink (Scan)	
Moa-1	18/1	-	C Clink (Scan)		
State of Nagaland (E/L) 6/1	19/1	Mong	SSLL	E/L U/Ant. Dundee	
Spring Ocean	19/1	Sing	Everett	GI (STC)	
Banga Bonik (Cont) 9/1	20/1	CBO</			