

Europe should not be guaranteed IMF top job: Africa

REUTERS, Johannesburg

The IMF must open the selection of its next head to all its members instead of sticking to an unwritten rule of picking a European, African finance ministers and central bank governors said Friday.

Bohoun Bouabre, Ivory Coast finance minister, said after a one-day meeting in South Africa of the ministers and bankers that the tradition of nominating a European as managing director of the IMF and an American president of the World Bank was archaic and negated the principle of good governance.

"These principles were quietly agreed in 1944 when these organisations were formed. But this is 2004 and many things have changed. It is not proper that we have no say in who it is that heads institutions that have a huge impact on how developing countries like ours operate," he told a news conference.

Bouabre said Africans wanted the new head of the Fund, who will

replace German official Horst Koehler, to appoint at least one African deputy and technocrats with African experience as advisers in order to better tackle the continent's problems.

The ministers and governors wanted to seek a consensus on how best to increase their participation in World Bank and IMF decision-making and possibly voting rights, Bouabre said.

Africans have long complained that officials from the Fund and World Bank dictated economic policy to the continent without regard to the consequences on its largely impoverished people.

South Africa, the continent's economic powerhouse, has called for a reform of the IMF and World Bank.

It has also called for changes in the structure of the United Nations Security Council, which it says does not give an adequate say in international affairs.

"It is time to stand up and say,

transparency is for all. The selection of the managing director of the IMF will be a good start. If there is a top-class candidate from Africa or Asia, they ought to get the job," Bouabre said.

Africans planned to take their message to Western capitals and were optimistic changes were possible, Bouabre said.

Africans also tackled initiatives to reduce huge external debt on the continent, harmonise macroeconomic policies and promote intra-African trade, officials said.

Speaking at the meeting, South African President Hlabo Mbeki said it was crucial for Africans to unite on an agenda to fight poverty and grow their economies to win international donor and investor confidence.

"Few if any of our developing partners listen to our voice when we speak as individual countries," Mbeki said.



State Minister for Education ANM Ehsanul Ghil Milon gives away a certificate to a participant of a training program on communication skill jointly organised by British American Tobacco Bangladesh (BATB) and North South University recently. A total of 17 executives from different organisations attended the course.

US Senate approves \$2.36t budget

REUTERS, Washington

The US Senate Friday approved a \$2.36 trillion budget for next year that creates hurdles for making permanent the billions of dollars in tax cuts that are the showpiece of President George W Bush's election year economic plan.

The blueprint also aims to halve this year's expected \$477 billion fiscal deficit in three years -- faster than the five years Bush suggested in his \$2.4 trillion budget request.

In a marathon session, the Senate rushed through a long list of amendments and then passed the 2005 tax-and-spending blueprint on a 51 to 45 vote shortly after 1 am EST.

Senate Majority Leader Bill Frist, a Tennessee Republican, returned to a nearly empty chamber at mid-morning on Friday to formally thank members for their efforts.

"It's very important for us in these very busy times to continue to govern and govern well, and I think yesterday represented just that," Frist said.

Democrats claim the plan does little to reduce the deficit and takes money away from social spending programmes like education and health care to pay for tax cuts.

"We appreciate the Senate passing a budget that stays within the framework the president

outlined for meeting our priorities, such as the war on terrorism and strengthening our economy and holding the line on spending elsewhere," said White House Spokesman Scott McClellan.

With some of Bush's own party concerned about the budget deficit, the Senate decided on Wednesday that tax cuts must either be paid for with other funds in the budget or they must get more votes than are usually needed on the Senate floor.

McClellan played down the differences with Bush's plan on tax cuts. "We're early in the process," he said.

The nonpartisan Congressional Budget Office estimates it would cost about \$1.3 trillion over 10 years to make permanent the personal and corporate tax breaks that Bush would like.

The House of Representatives' plan is similar to the one passed by the Senate and leaders said they hoped the full chamber could debate it before the April recess.

Democrats say the Bush tax cuts primarily benefit the wealthy and result in inadequate spending on programmes like health care, education and aid to veterans.

China sets high banking reform targets

REUTERS, Shanghai

China has set high performance targets for two of its largest banks as they race towards stock market debuts, but analysts said on Friday the targets would be nearly impossible to meet without more government aid.

State-owned China Construction Bank and Bank of China, which are hoping to sell more than \$5 billion in shares in 2004 or 2005, were asked to hit profitability and capital strength benchmarks in line with some of continental Europe's top lenders, but below those in the United States and Britain.

Beijing injected \$45 billion into the two banks in late 2003, kick starting a year of financial reform as the government strives to fix a weak link in its economy ahead of 2007, when the industry will open fully to foreign competition.

Analysts said the two lenders cannot meet the objectives, announced late on Thursday, without more government intervention.

They said banks must also be allowed to issue more bonds and Beijing must grant them greater leeway to set interest rates, or allow them into restricted areas, such as broking and consulting.

"The whole set of performance targets is extremely difficult to achieve," said Arthur Lau at Fitch Ratings agency.

CURRENCY

Table showing exchange rates of various currencies against US dollar. Columns include Sell, Buy, Currency, TT Clean, OD Sight, and OD Transfer. Rows list currencies like Euro, Pound, Yen, etc.

Local Interbank FX Trading: Friday as investors took profits on gains made in higher-yielding currencies and shrugged off slightly weaker-than-expected US consumer sentiment data. The University of Michigan's consumer sentiment index showed a preliminary March reading of 94.1, narrowly undershooting February's final reading of 94.4. Euro fell in late afternoon trade after Basque public television said that separatist group ETA denied responsibility for the train bombings that killed at least 199 people and wounded nearly 1,500 in Madrid on Thursday.



Mutual Trust Bank Limited Chairman Syed Manzur Elahi inaugurates SWIFT service of the bank on Wednesday in Dhaka. Among others, Hedayetullah, director of the bank, Mosharraf Hossain, managing director, Iftekhar Ali Khan, deputy managing director, and other senior officials were present.

ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Saturday, says a press release.

Table with columns: Prizes, Name of Winners, Card No. Lists various prizes like China Junction Chinese Free Lunch, TOMBOY Chinese Free Lunch Package, etc.

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, and 8125294-7.

STOCK

TODAY'S TRADED ISSUES March 13, 2004

Table of traded issues with columns: Company, FV/M, Price, Turnover, DSE, CSE, Financial Performance. Lists various companies like AB Bank, Islami Bank, National Bank, etc.

Day's Market - March 13, 2004

Table of market indicators: General All Share Price Index, DSE, CSE, 7 days DSE 20 Index, 7 days DSE-CSE Index.

Table of turnover leaders: Company, Vol, Value, % of Total. Lists companies like Dhaka Stock Exchange, Eastern Bank Ltd, etc.

Table of capital gainers: Company, Price, Turnover. Lists companies like Dhaka Stock Exchange, Eastern Bank Ltd, etc.

Table of chittagong stock exchange: Company, Price, Turnover. Lists companies like Eastern Bank Ltd, etc.

Table of capital losers: Company, Price, Turnover. Lists companies like Dhaka Stock Exchange, Eastern Bank Ltd, etc.

Table of chittagong stock exchange: Company, Price, Turnover. Lists companies like Eastern Bank Ltd, etc.

Table of book closure/AGM/Dividend/ IPO: Company, Chser, Div/AGM, AGM/Div, Date, Venue, Time.

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Non Traded Issues

Table of non-traded issues with columns: Company, FV/M, Last, Lending, Last, Lending, Last, Lending, Last, Lending. Lists various companies like BANK, BIC, etc.

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