

Stocks plunge further Strife continues to hit Pak economy

ISLAMABAD, Oct 17: President Farooq Leghari's admittance that the persistent unrest in southern port city of Karachi was hampering Pakistan's economic progress was further strengthened Monday as Pakistan stocks took a severe beating, reports Reuter.

"The continuing strikes in Karachi cast a dark shadow on the economic prospects of Pakistan," Leghari told delegates at an economist round table business conference in Islamabad.

More than 1,600 people have been killed in ethnic and political violence in Karachi this year, including about 75 this month, and protest strikes have frequently paralysed the city.

"Business interests are being adversely affected by events in Karachi," Leghari said. "No economy in the world can prosper under the spectre of violence."

He urged the ethnic Mohajir Qaumi Movement (MQM) and other political parties to abandon violence. Peace talks between the government and MQM resumed in July, but stalled last month without making any apparent progress.

Leghari, a political ally of Prime Minister Benazir Bhutto, appealed to the government to maintain the momentum for economic liberalisation and structural reform.

This year, Pakistan's failure to meet targets agreed with the International Monetary Fund (IMF) prompted the organisation to withhold the second year of a three-year lending programme.

Leghari said the government faced a "difficult balancing act" in its efforts to reduce its fiscal deficit.

He stressed that Pakistan was undergoing a crucial transformation to a free market economy.

Meanwhile, Pakistani stocks, hit by political unrest, violence in Karachi and bad economic news, took another beating on Monday on rumours of a failed army coup aimed at bringing about an Islamic revolution, dealers said.

Dealers said the news knocked 51 points, or 3.26 per cent, off Karachi's 100-share index, taking it to a four-month low in a market already depressed by daily killings in Pakistan's biggest city and signs that the economy may be floundering.

"News of a planned coup by army officers for an Islamic revolution is a new factor that sent shock waves among investors," dealer Shoaib Menon of Carr Mashriq said.

The index closed at 1,512.82 points after a plunge that wiped almost 10 billion rupees (305 million US dollars) off aggregate market capitalisation in a single day.

"We don't know where this will lead because the arrest of 40 army officers is a big thing. We never heard of a militant Islamic element in the army before," dealer Khalid Hussain said.

Prime Minister Benazir Bhutto confirmed at the weekend that an undisclosed number of senior officers were under investigation, but did not say what they were suspected of.

Military and political sources say the group, led by Major General Zaheer-Ul-Islam Abbasi, was made up of Islamic fundamentalists planning some form of violent action.

It was the latest blow for investors who have seen the Karachi index tumbling 337 points in two months and 155 points in the last eight trading sessions.

Dealers at top brokerage houses said tension with neighbouring Afghanistan, India and Iran was another dampening factor, while insecurity in Karachi was hitting the economy.

Shakil Anwar of Amnauila Suleman Securities said a deadlock in talks between the government and MQM was the biggest deterrent to investors in Karachi, where more than 1,600 people have been killed this year.

"Until peace is resorted in Karachi we cannot expect the desired growth rate in trade and commerce or any inflow of much-awaited foreign investment," the dealer said.

"Foreign investors won't wash their hands of Pakistan," said on London-based fund manager. "They will just retreat. What can you do when the country's main city is ungovernable?"

Dealers said unrest in Karachi, where the MQM has staged at least 17 strikes this year, had crippled business activity, which was aggravating the country's economic problems.

Pak policy for FDI in computer industry unveiled

ISLAMABAD, Oct 17: Pakistan government Monday unveiled a policy framework offering a series of fiscal and corporate incentives to foreign investors to develop a computer software industry here, reports AFP.

A cabinet meeting chaired by Prime Minister Benazir Bhutto also decided to set up a Private Software Export Board (PSEB) which would ensure implementation of the new policy.

The incentives are aimed at attracting investment that would put Pakistan on the map of "significant software producers of the world," an official spokesman said.

Under the new policy launched Monday, all computers and related hardware will be exempted from taxes and duties, he said, software development tools to be used exclusively for producing software exports will also be exempted from taxes and surcharges.

Software companies will also be provided financial assistance in the form of loan and equity support and a seven-year exemption from corporate income taxes.

Foreign investors will be allowed 100 per cent equity ownership in software plants they bring here, the spokesman told reporters.

There are also plans to set up software technology parks in Islamabad and Karachi.

Shahid Mir, who is to head the PSEB, told reporters that three international companies — Triton System Corp of the United States, Promnet Corp of Singapore and Kurihara of Japan had already shown interest in setting up software manufacturers in Pakistan.

Mir said the PSEB would soon launch international bidding to establish a software industry in the country.

FAO chief criticises North for slashing food aid programmes

QUEBEC CITY, Oct 17: The Food and Agriculture Organisation's chief, speaking on the 50th anniversary of the U.N. agency's founding here, criticised developed nations on Monday for cutting food aid programmes while one fifth of the world's population is chronically undernourished, according to Reuter.

"The situation is urgent and if we are to drive these programmes, we need the means by which to drive them," FAO Director-General Jacques Diouf told a conference of 145 countries, 80 agriculture ministers and 27 observers in preparation for the world food summit in Rome in November 1996. The FAO was created in Quebec City on Oct 16, 1945.

"We must draw attention to the fact that developed nations have not respected their commitments to food aid," he said.

He urged developed countries to assist developing states to improve agriculture rather than make them dependent on food handouts, warning of the dangers of "the emergence of a welfare mentality among people and governments."

The FAO says there are 800 million chronically undernourished people in the world, 200 million of them children, who consume 2,000 calories per day or less.

World population is expected to grow by an additional 3 billion people by 2030 from today's 5.5 billion, Diouf said. "The amount of available cropland — which now works out at 0.25 hectares (.62 acre) per person — will in all likelihood shrink even further," he said.

"Any increase in production will therefore have to focus on intensified farming of the land already under cultivation, taking care to avoid rapid depletion of the soil. We must concentrate on extending sound conservation practices and developing... improved seeds, fertilisers and, particularly, irrigation."

The United Nations has set target level for development assistance at 0.7 per cent of Gross Domestic Product from donor nations, but aid from those countries peaked at 0.34 per cent of GDP in 1970 and fell to 0.29 per cent by 1994.

While the FAO challenged developed nations to donate 31 billion dollar more per year in food aid to top off current donations of 144 billion dollars, some countries criticised the Rome-based U.N. agency for being too much of a centralized bureaucracy.

China produces 40 pc of world's bicycles

BEIJING, Oct 17: China, long renowned as the kingdom of the bicycle, produced 40 per cent of the world's two-wheeled work-horses last year, the Xinhua news agency reported yesterday, according to AFP.

Total output in 1994 from some 850 factories employing 350,000 people hit 49.45 million bicycles, of which 13.42 million were exported, 30 per cent more than the previous year, the official agency said.

But, despite its world number one output ranking, China's bicycle sector is facing serious challenges, with major producers witnessing declines in profits in recent years.

RBI intervenes in forex market to support rupee

BOMBAY, Oct 17: India's central bank intervened in the foreign exchange market here for the first time in seven months to support the rupee against the dollar, dealers said Tuesday, reports AFP.

The rupee touched a low of 34.90 rupees to the dollar on Monday, close to its previous low of 35 to the dollar recorded on September 15. The Reserve Bank of India (RBI) did not intervene then, saying the rupee's fall was determined by the market.

Foreign exchange dealers said the RBI on Monday sold between seven and eight million dollars through several banks to prop up the rupee.

The exchange rate was 34.05 rupees to the dollar at the end of the day.

"The RBI kept pumping in small quantities of between two and three million dollars at various levels," said a dealer, adding the quantities were enough to move the thin market.

Last week the rupee fell about three per cent against the dollar and looked set Tuesday to touch 36 rupees until the RBI intervened.



Chinese Foreign Trade Secretary Wu Yi (R) and US Commerce Secretary Ron Brown (L) address the media after their first meeting in Beijing yesterday. Brown is in China on a two-day visit aimed at improving bilateral relations. — AFP/UNB photo

US Commerce Scy in Beijing to improve trade ties

BEIJING, Oct 17: US Secretary of Commerce Ron Brown met his Chinese counterpart minister Wu Yi here today, highlighting the unequalled importance to Washington of its relationship with Beijing, reports Reuter.

"I assured the minister that there is no more important relationship to us than our relationship with China," said Brown, who arrived late Monday for the highest level US visit since bilateral ties plummeted in June over Taiwanese President Lee Teng-Hui's trip to the United States.

While his two-day visit will focus on trade issues, it is also of political significance, coming as the two sides move to repair severe damage to their bilateral ties from the fallout of Lee's trip.

After Brown's 45 minute meeting at the Ministry of Foreign Trade and Economic Cooperation, the two officials presided over the ninth session of the Sino-US Joint Committee on Commerce and Trade (JCCT).

In an opening address, Brown commented on the "important" timing of his visit head of on October 24 summit in New York between President Jiang Zemin and his US counterpart Bill Clinton on the sidelines of UN 50th anniversary celebrations.

The results of this session of the JCCT, which was reactivated last year after a previous bout of Sino-US tension, will be viewed in China and the United States "as an indication of both countries' dedication to remain firmly engaged on commercial and other crucial issues."

"Continued constructive relations between the US and China is at the very top of the Clinton administration's agenda," he said.

Wu, after meeting Brown, slammed the US media for its reports that little had yet emerged from billions of dollars worth of Sino-US business deals signed with great fanfare during the US Commerce Secretary's last visit here in summer 1994.

Colombo raises prices of flour, bread

COLOMBO, Oct 17: The Sri Lankan government yesterday raised flour and bread prices for the second time in a month because of soaring wheat prices and pressure from rice farmers unable to sell a bumper crop, reports Reuter.

Finance ministry officials said foreign aid donors have also been asking the government to cut the ballooning spending on subsidies.

Trade and Commerce Minister Kingsley Wickramaratne said the move was in response to mounting pressure from rice farmers who have repeatedly complained of difficulties in selling their bumper harvest due to the bread subsidy.

"Maintaining the wheat flour subsidy and artificially depressing the price of flour will continue to divert people to consume more flour, reducing the demand for locally grown rice," he said in a statement.

Rice production on the island had shown a remarkable improvement during the year due to good weather combined with government incentives to farmers, he said.

Wickramaratne said the price of a loaf of bread was on Monday increased to 4.25 rupees (0.08 dollars) from 3.80 rupees (0.07 dollars) and a kilogram of wheat flour to 9.70 rupees (0.19 dollars) from 8.35 rupees (0.16 dollars).

On September 25, about one year after the government introduced the subsidy to keep an election pledge, the price of a loaf of bread was increased to 3.80 rupees (0.07 dollars) from 3.50 rupees (0.06 dollars) and a kilo of wheat flour by 80 cents (0.02) to 8.35 rupees (0.16 dollars).

Global manufacturing growth to dip this year: UNIDO

NEW DELHI, Oct 17: Global manufacturing growth will dip in 1995, hampered by a slowdown in developed nations the United Nations Industrial Development Organisation (UNIDO) said on Monday, reports Reuter.

"UNIDO predicts that world manufacturing growth will drop back again this year to 3.2 per cent," the agency said in its industrial development global report 1990. The average world growth rate in 1994 was 4.4 per cent.

Developing nations' manufacturing sectors grew at 7.6 per cent in 1994, while developed nations' dragged down the world average with 4.2 per cent growth during the year, it said.

The study said former East Germany, Finland, Ireland and Malta would be the only developed regions with manufacturing growth over five per cent in 1995.

But industrial growth trends among developing nations showed stark disparity, with China, east and South-East Asia leading, followed by the Indian sub-continent and west Asia, and parts of Latin America and Sub-Saharan Africa trailing far behind.

The gap between least developed countries and those moving towards Newly Industrialising Economy (NIE) status seemed to be widening considerably, it said.

"The pattern of growth in NIEs and developing countries is extremely disquieting... the situation could be explosive," UNIDO Director General Mauricio De Marary Campos said at Monday's inaugural session of a UNIDO world conference on industry.

"The next decade should not be an era of confrontation, but one of global industrial partnership," Campos told the global forum of industry, perspectives of 2000 and beyond.

Campos stressing that least developed nations' access to international finance was crucial to bolster economies in transition or drained by poverty and unemployment, said it was essential that they avoid being marginalised.

"It is important that developing countries become involved in developing the new international standards that will govern international trade," he said.

The UNIDO report urged impoverished developing countries to focus on creating productive employment through labour-intensive industries, rather than turning to trade as a solution.

"Trade can be one of the key avenues for poverty alleviation, but it works well only for countries having a substantial industrial base and a competitive export sector in manufactures," the study said.

The structure of industry in NIEs was broad-based and already resembled that in developed nations, it said.

SIMEX fines Barings Futures \$5m

SINGAPORE, Oct 17: The Singapore International Monetary Exchange (SIMEX) revealed Monday it had fined the futures arm of the collapsed British merchant bank Barings 6.95 million Singapore dollars (five million US) for breaking exchange rules, reports AFP.

In a statement, SIMEX said Barings Futures (Singapore) Pte. Ltd. was found guilty of violating its rules at a hearing conducted before the exchange's board in June.

A SIMEX spokesman said the revelation was being made now in response to a press query.

Barings Futures' membership on the exchange was suspended on February 27. The fine was deducted from surplus funds deposited by the company with SIMEX, the statement said.

The statement came as the company's former chief trader in Singapore, Nick Leeson, was awaiting extradition to the city-state from Frankfurt, where he has been detained since March following the collapse of Barings.

Barings, Britain's oldest merchant bank, collapsed in late February under the weight of 1.3 billion US dollars in losses accumulated by Leeson on his futures gambles out of Singapore.

SIMEX said rule violations by Barings futures included accepting orders from a customer without causing them to be executed on the exchange.

The company also breached a futures trader's duties by causing false records to be entered and reported in relation to the prices for the positions of two accounts, it said.

It was also found guilty of "material misstatement" on information supplied to the exchange by stating false amounts on futures position changes, in addition to "dishonest conduct" in relations to fictitious trades and entries recorded in the broker's reports.

Japanese minister happy over auto trade talks with US

TOKYO, Oct 17: Japan's Minister of International Trade and Industry Ryutaro Hashimoto said today he was "fundamentally disturbed" by a report that the US Central Intelligence Agency (CIA) had spied on Japanese automakers, reports AFP.

Hashimoto told a regular news conference after a cabinet meeting he had already asked foreign minister Yohei Kono to raise the matter with US officials.

"We will consider what to do about the matter after we get a response to our inquiry from the United States," Hashimoto was quoted as saying by the Nikkei news service.

Hashimoto said he was otherwise "satisfied" with the outcome of the bilateral auto trade talks which ended with a last minute accord in Geneva in June.

Chief Cabinet Secretary Koken Nosaka meanwhile said that the United States has promised to make a formal reply to Japan's enquiry "after scrutinizing" the report.

"We will continue to have close contact," Kyoto news service quoted him saying.

The main opposition party Shinshinto (new frontier party) urged the government to open an investigation into the allegations.

"It's a serious problem if a friendly ally used wiretapping against Japan," Shinshinto said in a statement, recognizing that the Japan-US relationship was nevertheless the "core of Japanese diplomacy."

Morocco needs urgent econ reform: WB

RABAT, Oct 17: Morocco needs urgent economic reform to compete on world markets, the World Bank said in a report made public on Monday, reports Reuter.

Morocco risks being marginalised in the competition for world markets and could be exposed to worsening social and economic distortions, the report said.

Macro-economic stabilisation is an urgent priority. Morocco's objectives should be ambitious, difficult decisions should be made to restructure the education system to sustain and adapt reforms in the medium and long-term period, it said.

It said unemployment had reached 16 per cent of Morocco's 10 million workforce in 1994. A high percentage was registered among university graduates.

Extracts of the report were released in French by King Hassan who had received it two weeks ago, he said in a nationwide televised speech on Friday that he had asked the World Bank to fairly examine Morocco's economy.

Morocco can be an efficient competitor regarding its human resources, on the basis of high productivity, and a dynamic overture on foreign markets, both indispensable to the reduction of unemployment and poverty.

It said Morocco's social indicators were far below similar countries and human resources had not adapted to a strategy of strong growth. Also the disparity between urban and rural areas had increased.

It said between 1988 and 1994, Gross Domestic Product (GDP) rose by an annual average of 4.3 per cent which represents a real improvement of the Moroccan population's living standards but still depends on fluctuations of agricultural output.

Morocco's economy was under pressure in 1995 due to severe drought described by the authorities as the drought of the century.

The report said Morocco had made important progress in sectors as privatisation, financial and taxation but it was "not sufficient" to promote rapid growth.

S'pore hopes to step up tech aid to dev states

SINGAPORE, Oct 17: Singapore, which graduates to developed status in 1996, said yesterday it was hoping to step up technical assistance to developing countries with programmes ranging from English courses to information technology, reports AFP.

"If we are successful today and if we have succeeded in moving up the ladder of development, it has been due in no small part to the help we received from our friends overseas," said Kishor Mahubani, Permanent Secretary at the Foreign Ministry.

He stressed that while Singapore could now be classified as developed in terms of its per-capita income - now approaching 20,000 US dollars - it was still behind the richest countries by educational and other standards.

"But we are not going to wait until we reach the top of the ladder before we assist those who are below us on the ladder," he told participants in the aid programme currently numbering 147 from 32 Asia-Pacific, African Caribbean and Middle East nations.

He said more than 20,000 foreigners had come to Singapore for training or briefings as part of technical cooperation, conducted bilaterally or in partnership with third countries or international agencies.

Mahubani said Singapore was hoping to launch more jointly funded programmes with third countries. There are ongoing partnerships with Japan, South Korea, Germany, Canada and Britain.

One programme with Canada provides English-language instruction for diplomats from Vietnam, Laos and Cambodia as part of their integration into the Association of South East Asian Nations. Vietnam was admitted as a member last July, while the two others are expected to join in the next five years.

Singapore is to be formally classified as a developed country from January by the Organization for Economic Cooperation and Development (OECD), the Paris-based club of two dozen industrial nations.

Institute of Fuel Research and Development BCSIR

Rcf. No. IFRD/Pur/221-2/95-96 Date: 5-10-95

Re-Tender Notice for purchase of scientific instruments/chemicals

Sealed tenders are invited from the bonafide suppliers/businessmen/importers for supply of scientific instruments/chemicals for the Institute of Fuel Research and Development (IFRD), BCSIR, Dhaka. Tender schedule with terms and conditions can be purchased from Accounts Section (IFRD) in any day without holiday up to 28-10-95 during office hours on payment of Tk. 200/- (Two hundred) only in cash (Non-refundable).

Tender have to be dropped in the tender box kept in the office of the undersigned before 12:00 Noon on 29-10-95. Tender will be opened at 12:30 PM on 29-10-95 in presence of the tenderer (if anybody present). On the opening date no tender will be sold.

Authority reserves the right to cancel partial or whole tenders without assigning any reasons.

DFFP-25178-14/10 Dr. A. Khaleque
G-1528 Director

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

নির্বাহী প্রকৌশলীর কার্যালয়

গণপুত্র বিভাগ, রংপুর

বিজ্ঞপ্তি নং-১০ এর ১৯৯৫-৯৬ইং

নিম্নলিখিত কাজের জন্য গণপুত্র অধিদপ্তরের বিশেষ প্রথম শ্রেণী এক ই.এম. কাজের জন্য তালিকাভুক্ত প্রথম শ্রেণী ও গণপুত্র অধিদপ্তর রাজশাহী জে.এম. রাজশাহীর নিম্নকৃত দ্বিতীয় শ্রেণী (বেসূত্রিক) এইকম টেন্ডারপত্রের নিকট হইতে বাংলাদেশ সরকার নং ২৯১১ এর মাধ্যমে সীলমোহরকৃত খামে নিম্নলিখিত কাজের দরপত্র আহ্বান করা যাইতেছে। দরপত্রটি নিম্নলিখিত কার্যালয়ে ও গণপুত্র অধিদপ্তর রংপুর সার্কেলের অধীন সকল নির্বাহী প্রকৌশলীর কার্যালয়ে ২৬-১০-৯৫ইং তারিখ বেলা ১২-০০ ঘটিকায় গৃহীত হইবে এক একই দিনে বেলা ১২-১৫ মি সময়ের দরপত্রাদানের সম্মুখে (যদি কেহ উপস্থিত থাকেন) খোলা হইবে।

কাজের নাম- রংপুর মেডিকেল কলেজ হাসপাতালের এইচ ব্লকের ২ (দুই)টি যাত্রীবাহী লিফট এর খুচরা যন্ত্রাংশের পরিবর্তনের কাজ, ১৯৯৫-৯৬ইং।

প্রকৃত মূল্য-
বায়নার টাকা - উদ্ধৃত দরের শতকরা ৫%।

দরপত্র ফরম অন্যান্য বিবরণী যাবতীয় শর্তাবলী সিডিউল ইত্যাদি নিম্নলিখিত কার্যালয়ে গণপুত্র সার্কেল, রংপুরের অধীন সকল নির্বাহী প্রকৌশলীর এক ই.এম. উপ-বিভাগ, রংপুরের কার্যালয়ে ২৫-১০-৯৫ইং তারিখ পর্যন্ত অফিস সন্ধ্যাকালীন সময় অপরাহ্নে বিকাল ৫-০০ ঘটিকা পর্যন্ত সন্ধ্যায় একত্র করিতে পরিবে।

মেড. বসিকুল ইসলাম
নির্বাহী প্রকৌশলী
গণপুত্র বিভাগ, রংপুর।

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