

Two Pak banks reduce interest rates

KARACHI, July 12: Two leading Pakistani commercial banks have reduced interest rates following the central bank's directive to slash overhead expenditures, banking sources said yesterday, reports AFP.

Habib Bank Limited (HBL) has lowered the lending rate by two per cent while a privatised Muslim Commercial Bank (MCB) reduced its maximum lending rate by 1.09 per cent.

HBL President Shaukat Tarin said the reduction was possible due to strict measures adopted by his bank to cut expenses.

Tarin said his bank has reduced the mark up rate from 22 per cent to 20 per cent per annum. Further reduction will depend on the movement of market forces and inflation rate in the country, he added.

Pakistani government hired the services of Tarin from the US-based Citibank in April to improve the financial discipline in the state-owned HBL.

The central State Bank of Pakistan (SBP) recently advised commercial banks to cut down expenses, improve management and set up an effective internal audit system in a bid to decrease the mark up rates and increase return on bank deposits.

Prime Minister Nawaz Sharif's five-month-old government has amended the banking company law to speed up recovery of 127 billion (3.17 billion dollars) stuck up loans from defaulters.

Arif Habib, President Karachi Stock Exchange said the reduction in mark up rate will lower the cost of production and improve the profitability of corporate sector.

"It is after a long time that a declining trend in the mark up rate has emerged" in Pakistan, Habib said adding that if this continued, investment activities would flourish in the country and boost growth in the large industrial sector.

Malaysian analysts welcome trade surplus in May

KUALA LUMPUR, July 12: Malaysian analysts welcomed news of the surprising trade surplus in May, but warned that the figures may not be sufficient to erase fears of a drastic slowdown in the economy, reports AFP.

While it was encouraging to note that exports growth had picked up in May, there were some underlying issues that could affect the annual trade balance, said Desmond Chung, senior analyst at south Johore Securities.

These include worries over higher capital imports, the time lag in the pick-up of the manufacturing sector, the yen's rise which would raise imports value and the strengthening of the US dollar which would reduce exports value.

"It remains to be seen if the exports growth could be sustained for the rest of the year," Chung said.

Deputy Prime Minister Anwar Ibrahim Saturday announced that the country recorded a trade surplus of 156.8 million ringgit (62.7 million dollars) in May, reversing April's hefty deficit of 2.12 billion ringgit.

Asia business briefs

TOKYO, July 12: Fujitsu Ltd, a major Japanese computer maker, said Friday that a European subsidiary will acquire a Portuguese company that sells and maintains telecommunications equipment.

Fujitsu Telecommunications Europe Ltd will acquire a 40 per cent stake in Elettronica Electronica e Telecomunicaciones SA this month, and will buy all of the company's remaining shares in the year ending March 31, 2000. The total price will be 650 million yen (5.70 million dollars), a Fujitsu spokesman said.

Through the acquisition, Fujitsu plans to strengthen its business ties with Portugal Telecom, the country's largest telecommunications operator, the spokesman said. Elettronica has close ties with Portugal Telecom, he said.

Fujitsu Ltd is one of Japan's top-ranking computer makers.

BEIJING: China urged rival Taiwan Friday not to block trade with Hong Kong and to accept that the former British colony is under Beijing's control.

China has been "magnanimous" in allowing Taiwan to maintain offices in Hong Kong after the territory's July 1 reversion to Chinese sovereignty, the official Xinhua News Agency said in a commentary carried in most national newspapers.

Permitting such contact benefits both Hong Kong and Taiwan and shows China's commitment to preserving Hong Kong's autonomy under the "one country, two systems" formula, the commentary said.

It added that this should promote reunification between Taiwan and the mainland.

Taiwan and China are ruled by governments whose rivalry dates from a 70-year-old civil war. The two sides have been divided since the nationalists lost the mainland to the communists and fled to Taiwan in 1949.

Xinhua estimated that Taiwan and China passed goods worth \$24 billion through Hong Kong last year and that trade among all three totalled \$33 billion.

— Source: AP

India's capital market

Foreign investment rises by 81pc in June

BOMBAY, July 12: Foreign investments on India's stock exchanges shot up 81 per cent in June over the previous month to touch the highest level for more than a year, the country's capital markets regulator said yesterday, reports AFP.

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"It is after a long time that a declining trend in the mark up rate has emerged" in Pakistan, Habib said adding that if this continued, investment activities would flourish in the country and boost growth in the large industrial sector.

"This is the highest level since April 1996."

SEBI said net FII investments in March were worth 189 million dollars, and 148 million dollars in April.

"It has been the experience

over the past four years that FII investments in Indian securities has been driven by relative valuations of Indian markets with respect to other emerging and developed markets and expectations of growth in corporate profits, industrial production and the in the overall economy."

New Delhi opened up the country's stock markets in September, 1992, as part of market reforms begun a year earlier.

SEBI said 462 foreign institutional investors, mostly US and European pension and mutual funds, had been licenced so far.

It added that since 1992 "cumulative net FII investments in

India up to July 9 were worth 8.48 billion dollars."

India's trade deficit rises by 20 pc

NEW DELHI, July 12: India's trade deficit increased by 19.86 per cent in dollar terms during 1996-97 as compared with the deficit during 1995-96. The Times of India reported today.

According to the latest monthly economic indicators issued by the Indian commerce ministry, the trade deficit at the end of the 1996-97 fiscal year on March 31 was 5.442 billion US dollars against a deficit of 4.540 billion dollars in 1995-96.

The whole budget has been designed for the welfare of the general public," Sharma said.

"To make industry and trade competitive and provide relief to people, I have reduced the rate of sales tax from 15 per

Nepal's new budget to stimulate business'

KATHMANDU, July 12: Nepal's new budget will stimulate business and benefit the general public, Finance Minister Rabindra Nath Sharma said here Friday, reports AFP.

Sharma was talking to reporters for the first time since unveiling a 7.4 per cent increase in expenditure in his 1997-98 budget which he presented to parliament Thursday.

Total spending for the year was set at 62 billion rupees (1.12 billion dollars) by the tripartite coalition government of the Nepal Communist Party-United Marxist and Leninist (NCP-ML), the right-wing National Democratic Party (NDP) and the pro-India Nepal Sadbhavana Party (NSP).

"An additional 10 million dollars has been collected from an additional 19,000 tax payers ... brought into the tax net this fiscal year," he said.

"To encourage businessmen and business organisations to increase their investment and declare their real income, tax rates have been lower."

Economist Mohan Man Saini described the budget as "realistic" against the backdrop of currently unstable political situation in Nepal.

Sharma said that 633 million dollars (56 per cent) of the total budget estimate would be financed from existing and new revenue sources.

A total of 109 million dollars (35 per cent) from bilateral and multilateral foreign grants, and the remaining 282 million dollars from external loans.

"A sum of rupees 102 million dollars will remain as deficit," Sharma said.

The whole budget has been designed for the welfare of the general public," Sharma said.

"To make industry and trade competitive and provide relief to people, I have reduced the rate of sales tax from 15 per

cent to 10 per cent," he said.

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Shipping Intelligence

CHITTAGONG PORT

Berth No	Name of vessels	Cargo	LP Port call	Local agent	Date of arrival
J/1	Orionis	Carca	Jedd	Cross	5/7
J/5	Ocean-1	Transhipcargo	Cal	Cross	29/6
J/7	Guang Ming	Gi	Dali	Pong	25/6
J/8	Firas-1	Cement	Sing	Jayce	25/6
J/9	Kota Pusaka	Cont	Sing	Pit (BD)	30/6
J/10	Won Fu	C. Clink	Col	Delmure	2/7
J/13	Kota Berjaya	Cont	Sing	Pit (BD)	27/6
CCT/1	Lamphun Navee	Cont	Sing	RSL	27/6
CCT/2	Banglar Robi	Cont	Sing	BSC	30/6
CCT/3	Da Fu	Cont	Sing	Apl (BD)	30/6
CGJ	Mashakti	C. Clink	Kara	USTC	4/7
GSJ	Banglar Shobha	Repar	Kara	BSC	26/6
TSP	Ya Mujer	Sulp	Sarja	USTC	3/6
RM/4	Ventura	Cdo	Darb	Seacom	4/7
RM/5	Nidia	Hsd	Mina	MSTPL	4/7
DOJ	Banglar Shourabh	C. Oil	RSC	R/Ra	10/7
DDJ/1	Tanary Star	Idi	Para	PSAL	12/7
DDJ/2	Barge Jamuna-V	Repair	Chand	Karma	R/a
RM/8	Banglar Kiron	Repair	-	BSC	14/7
RM/9	Zara	Repair	Col	Nishan	2/7
CUFL	Blu North	Cement	QSL	PSAL	13/7

Vessels due at outer anchorage

Name of vessels	Date of Last port arrival	Local agent	Cargo	Loading port
Caraka Jaya	10/7	Sing	Beeline	Gi (Wt. Cement /St. Coll)
Niaga-III	10/7	Sing	Yun Hua	OTEL
	10/7	Mong	M. Regina	Pt (BD)
	10/7	Mong	Al Salma	ASLL
	29/6	Col	Dragon Sentosa	
	10/7	Col	Sky Moon	Baridhi
	10/7	Busa	Diligence	Prog
	10/7	P. Kel	Container 1/7	QSL
	11/7		LNT (24/3/7)	Cont

Name of vessels	Date of Last port arrival	Local agent	Cargo	Loading port
Sea Elegance	25/6	Sing	PII (BD)	Cont
Maritime Faith	11/7	Man	Rainbow M. Seeds	Sing
George	11/7		PSAL	
Feng Qing	12/7	S. Hal	Cement	Chin
Euro Liberty	13/7	Anna	Litmond	R. Phos
Banglar Moni	26/6	Sing	ESC	Sing/Mgl
Andhika	14/7			
Tarunaga (48)	29/6	Yang	Everett	Gl (Veh)
Danatis-P	13/7		Rainbow R. Seeds	
Tug Greenville-168	14/7	Sing	Karma	Empty
Sea Harvest	14/7		Oil	Gl
Da Fu 9/7	13/7	Sing	APL (B)	Cont
Lian Sha 15/6	14/7	Sing	Bdship	Cont
Fong Yun 23/6	14/7	Sing	Bdship	Cont
Meng Kiat 26/6	15/7	Col	AML	Cont