

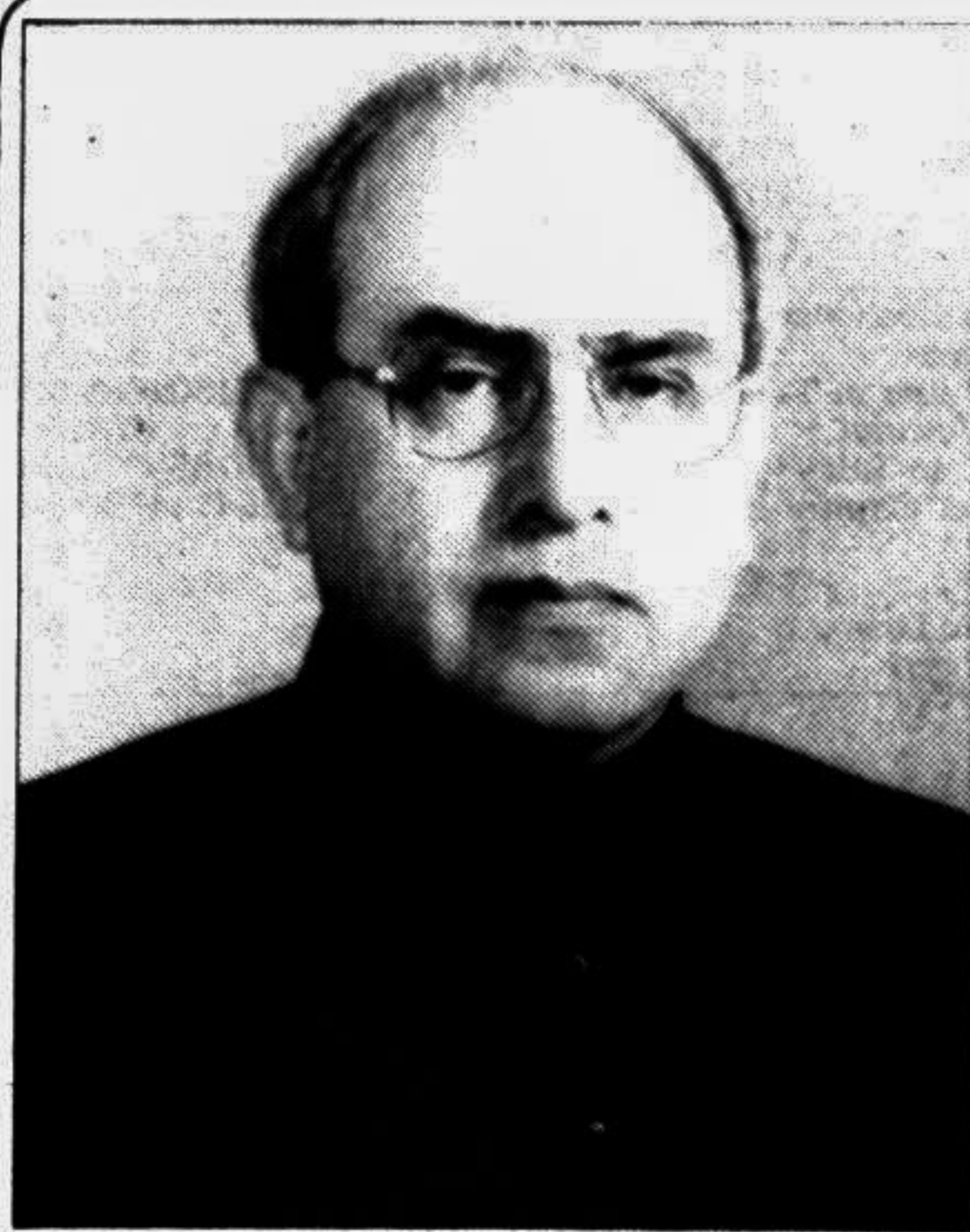
Golden Jubilee of Independence Day of Pakistan



SPECIAL SUPPLEMENT

The Daily Star

August 14, 1997



Farook Ahmed Khan Leghari
President of Pakistan

MESSAGE

On this happy occasion of the 50th Anniversary of our national independence, I am reminded of the profound words of the Quaid-i-Azam: "We have won the battle for Pakistan's freedom, but the grimmer battle for preservation of that freedom and building it on a firmer and sounder basis is still in progress and that battle has to be fought to a successful conclusion if we are to survive as a great nation". That battle we continue to fight.

Over the last five decades, the people of Pakistan have made tremendous sacrifices for upholding democracy and strengthening democratic institutions. They instinctively know that democratic pluralism is the only way to preserve national freedom and build Pakistan on firmer and sounder grounds. Democracy was the spirit of the 14th of August, the day our peaceful democratic movement for national independence culminated in the establishment of Pakistan.

It is a matter of satisfaction that in the past five decades, our domestic economy grew at a reasonable rate and the purely agricultural economy we inherited has developed into a semi-industrial one. The rapid increase in population, however, has diluted the real gains to the people, and a good part of the economic growth continues to be mopped up by the additional population. That is only one reason why, despite economic growth, the fate of the common citizen has not

changed much. Unemployment, illiteracy, malnutrition and pollution are common and the gap between the rich and the poor has not reduced.

While celebrating the 50th Anniversary of the creation of Pakistan, one should pause and ponder over the question: What has gone wrong down the road? There is no simple and easy answer to this question. To remedy the past lapses and ensure better utilisation of natural resources, it is essential to have well defined policies and programmes for the economic and social transformation of the society accompanied by efficient and effective laws, clean Government machinery and strong institutions to ensure expeditious implementation.

In pursuing our foreign policy objectives we have been guided by our interests in furthering our economic and commercial contacts, particularly with the Islamic world. In the conduct of our relations with other countries, we have steadfastly adhered to the principles of the UN Charter, particularly the principles of sovereign equality, territorial integrity, non-interference, peaceful settlement of disputes and exercise of the right of self-determination by people under alien domination or foreign occupation. We are particularly proud of our positive role within and outside the United Nations in the liberation of Asian, African and Latin American countries who won their national independence during the last 50 years and are now free to live and work under the political and socio-economic systems of their choice.

We seek peaceful co-existence with our neighbours but we cannot ignore our security concerns. The unresolved dispute of Jammu and Kashmir has bedeviled relations between Pakistan and India. It is our hope and endeavour that this dispute be resolved peacefully in accordance with the relevant resolutions of the Security Council.

No country has suffered more than Pakistan due to the conflict situation in our neighbouring state of Afghanistan. We hope and pray for peace to return to the war ravaged state through the establishment of a broad-based government in Afghanistan.

The government has taken bold and decisive measures to resuscitate the economy. The rapid transformation of Pakistan into a dynamic and vibrant economy is now our foremost priority. To this end, we plan to enhance our collaboration in the regional and multi-lateral economic forums and promote economic and commercial relations at the bilateral level.

At the home front, in spite of heavy odds, the present Government has restored the nation's morale which was at its lowest ebb. It has succeeded in reviving the economy and introduced measures which will bring substantial benefits to the people of Pakistan.

We are determined to build a strong and prosperous Pakistan and move into the 21st century with pride and dignity. Let us resolve that we will work together for the prosperity, progress and security of the nation in order to attain the high ideals for which our fore-fathers established Pakistan.

Pakistan Painsdabad!



Father of the Nation
Quaid-e-Azam Mohammad Ali Jinnah

the government raise taxes for development, defence and debt repayment, is so enormous that some people even call it a "minor risk". But the initial response seems to be on the lines expected by Mr Sharif.

Mr Ilyas Billour, President of Federation of Pakistan Chambers of Commerce and Industry, says "it's time for the business and industry to voluntarily pay their taxes and help revive the economy. Such an opportunity to enjoy major tax breaks, offered by the government and an environment to produce more and earn more, may never repeat itself".

Mr Sharif's Economic Recovery Programme revolves round four key elements in order to help meet the challenges that the country faces at this juncture.

Major tax breaks in personal income and corporate taxes. Reduction of customs duties on a wide range of imports from the maximum average of 65% to 45% in order to bring down the cost of imported raw materials on which a large number of industrial units are based.

Reduction in the VAT-type General Sales Tax and bringing its slabs down from 5 to 3 and the rate of tax from a maximum of 23% to 12.5%.

Enlarging the number of tax payers on a voluntary basis to collect more revenues rather than raising the rate of tax.

Finance Minister Sartaj Aziz says "our economic philosophy is to shift the burden of taxes from production and investment to consumption". A successful implementation of this philosophy should attract large-scale foreign private investment, including investment in flows from expatriate Pakistanis living in the Gulf, Saudi Arabia, the Middle East, Europe and the United States.

As part of facing the challenges, the government has set for itself, as the foremost objective of alleviating poverty, con-

trol inflationary pressure and reduce unemployment by increasing production, boosting exports and encouraging investment. The new policies for fiscal 1998 will prove to be the first important step towards the revival of the economy and welfare of the people, Mr Aziz says.

The second phase of the Social Action Programme is now being started and an amount of Rs 270 billion (b) will be allocated under this programme for the next four years.

Small- and micro-entrepreneurs will be given special loans to establish and expand their businesses. Such loans will not be allowed to the affluent people.

The agricultural sector can play a much and more effective role in improving the balance of payments position by augmenting exports and reducing the import bill as compared to the industrial sector.

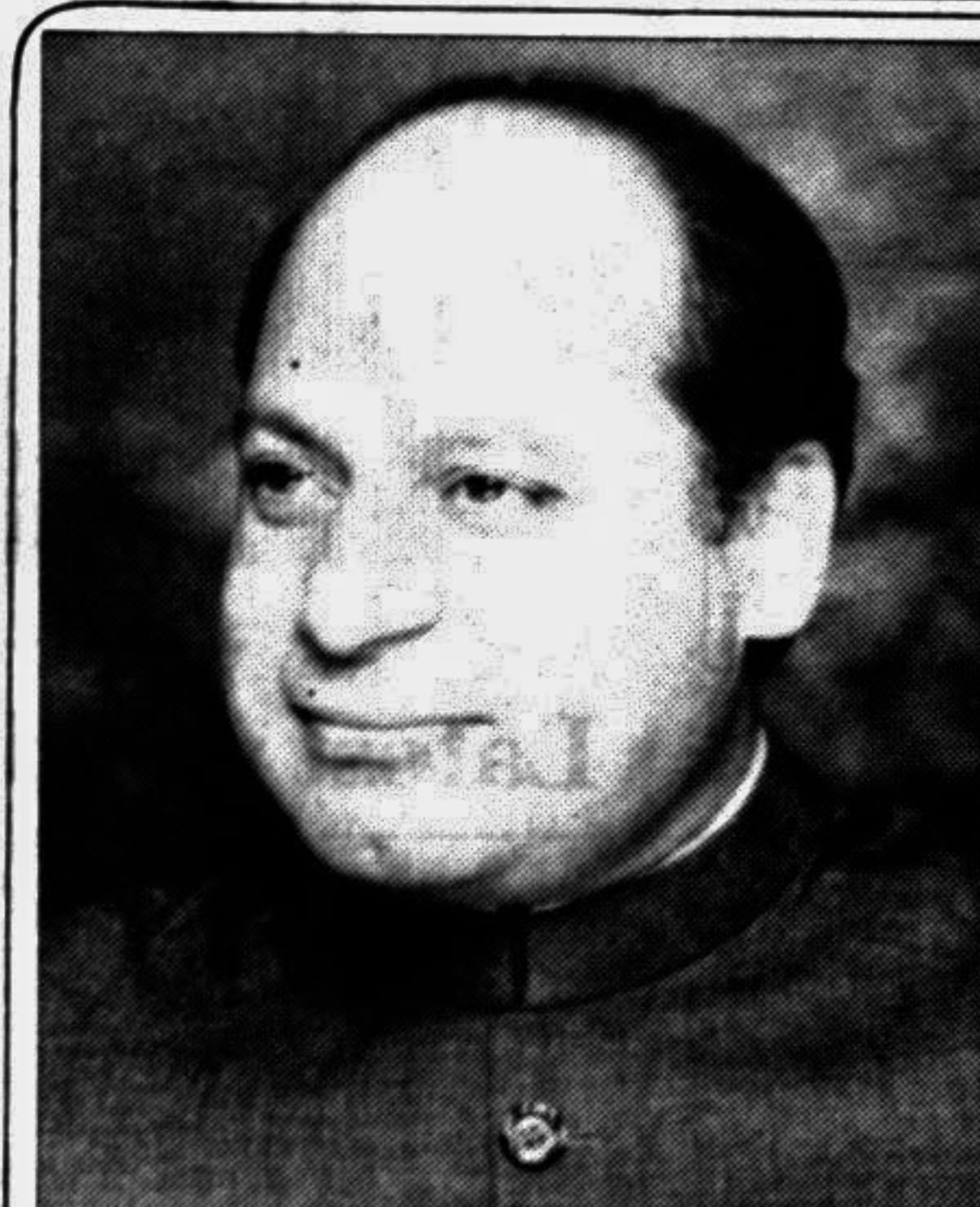
The recession in the past is still casting its shadow over the economy. The GDP growth rate had slowed down during the last four years which was 6% traditionally, a year at an average.

The industrial growth was slower still, causing crisis like situation as the large-scale manufacturing nose-dived to a negative 1.4% in 1997 and at an average it was as low as 2% during the last three years.

The mark up or interest on bank loans further went up owing to currency devaluation and generally averaged 22% to 23% a year. The outgoing government claimed last year that the budget deficit had come down from 8% to 4%, while in fact it was 6.2% of GDP. The deficit is now being brought down from Rs 154 billion or 6.2% of GDP in 1997 to Rs 144 billion or 5% in 1998.

Revival of industrial sector is the most important goal before the present government.

(Abridged)



Mohammad Nawaz Sharif
Prime Minister of Pakistan

MESSAGE

On the momentous day of the 14th August, 1947, the Muslims of the sub-continent won their battle for a country of their own. I extend my heartiest congratulations to my countrymen on this auspicious occasion of the Golden Jubilee of our Independence.

Today is a day of rejoicing and jubilation. It also demands introspection and reflection.

After gaining independence, the grim battle for the preservation of freedom started. We had to start from scratch to build Pakistan. The infant state was confronted with grave issues and problems. Unfortunately, the birth of Pakistan was attended by a holocaust of unprecedented

dimensions. Hundreds of thousands of defenseless people were displaced from their hearths and homes, and made their way to Pakistan. Our adversaries had hoped to stifle Pakistan at its inception. But our people thwarted their designs. They put up heroically with sufferings and adversity. They got down to the task of building Pakistan on a strong and firm foundation. Their motto, given by the founder of the Nation, Quaid-i-Azam Mohammad Ali Jinnah, was work, work, and more work.

Though, the successors of Quaid-i-Azam wavered, but the hardworking and courageous people of Pakistan kept the flag flying and set the highest examples of chivalry and service to the nation. It is because of such dedicated efforts that Pakistan made progress in every walk of life. A country which inherited a few spindles at birth has built a fairly large industrial base. All these achievements speak of the industry and genius of its people.

My compatriots! We formed our government on 17th February, 1997. On assumption of office, we found that the economy was in a shambles, our credit with world organisations was rock bottom and the country was beset with grave socio-economic problems. We set about to formulate a constructive programme aimed at the welfare of the people. We devised ways and means of social, economic and political uplift to restore our position in the world. We are determined to purge our society of corruption and terrorism. On account of our efforts, the economy has become viable. Nevertheless, dedicated service and the spirit of sacrifice are absolutely essential for achieving anything worth-while, since we still have a long way to go.

Pakistan has made great contribution for world peace. We assure goodwill and friendship to all nations. We will always provide unflinching moral support to the freedom movements anywhere in the world including Kashmir, Bosnia and Palestine.

My compatriots! Let us live up to the pledge of our forefathers to wipe out injustice, prejudice, bigotry and corruption from our society and make our country a tolerant, democratic state in the fullest traditions of the Islamic State as envisaged by the Holy Prophet (May Peace Be Upon Him).

Pakistan Zindabad!

PAKISTAN

Poised for Progress

PAKISTAN, a land of many splendours and opportunities, repository of a unique blend of history and culture of East and the West, the cradle of one of the oldest civilizations i.e., the Indus valley, is the ninth most populous country of the world with 134 million tough, conscientious, hard working people wishing and striving hard to enter into the 21st century as equal partners in the community of developed nations. By temperament Pakistan's population is consumption oriented. In particular, the demand for electricity is increasing at a phenomenal rate of 10 to 12% per annum.

Pakistan is one of the world's fastest growing economies — the seventh fastest in Asia. Annual gross domestic product is growing at more than 6% a year. It is a member of the Economic Cooperation Organization (ECO) and the South Asian Association of Regional Cooperation (SAARC).

Pakistan is strategically located in close proximity to the affluent Middle East. The markets of land-locked countries of Afghanistan and those of the Central Asian republics can be effectively and conveniently catered from Pakistan (i.e., Gateway to Central Asia). It is also, in close proximity to the large East Asian markets. None of the destinations in the Middle East, Central, East and West Asia is more than three hours flight away.

Pakistan has a highly developed financial sector consisting of local/foreign commercial banks, investment banks, leasing companies, mutual funds and the "Modaraba" fund companies. Besides providing working capital and long-term financing to the investors, these banks offer a number of facilities such as remittance of profits/dividends and maintenance of foreign currency accounts. The specialized development institutions provide credit for investment in various sectors. Karachi, Lahore and Islamabad have developed stock exchanges with aggregate capitalization of US \$ 20 billion.

(Abridged)

Pakistan's Economy Challenges for the Golden Jubilee Year

by Muhammad Aftab Khan

SETTING sites high for prosperity in Pakistan's Golden Jubilee Year will please hearts of all Pakistanis whether they are at home, in the Gulf, Saudi Arabia, the Middle East, the Far East, anywhere else in the world.

The goals and the occasion both are significant particularly because Pakistan is standing at the threshold of the Third Millennium. The challenges it faces are:

- To enter the Third Millennium as a middle-income country.
- To raise the literacy level be-

yond 70% with special efforts for educating the female child.

- To strive for a level of standard of living closer to the rapidly developing Asean countries and move towards better quality of life for its more than 130 million people.

- To become a net exporter of technical skills and at least medium technology, to the developing countries of Africa and the Central Asian Republics.

- Maximum self reliance in a large number of fields in the economy and defence.

Prime Minister Nawaz Sharif in February, started his second term in office with a dramatically different philosophy in economics and politics. The budget for fiscal 1998 (July 1 1997 to June 30 1998) is the key instrument to initiate such a change. Its government business partnership is based on mutual trust and prosperity.

While the tax-free budget is based on proposals prepared by the business and industry itself, the government expects everyone, big or small, to pay taxes voluntarily. The trust reposed by Mr Sharif on his people, especially the rich, the business and the industry, to voluntarily pay taxes and help

in industrial and agricultural fields. It is now fully poised to enter the 21st century as a progressive and prosperous member of the world community.

Coinciding with the commemoration of the Golden Jubilee a massively popular government emerged in Pakistan with the elections of 3 February 1997. Prime Minister Nawaz Sharif's policies regarding constitutional changes, economic resurgence and war against corruption indicate his determination to induct an era of peace, progress and prosperity in the country in pursuance of the fundamental objectives set by the Father of the Nation, Quaid-e-Azam Mohammad Ali Jinnah.

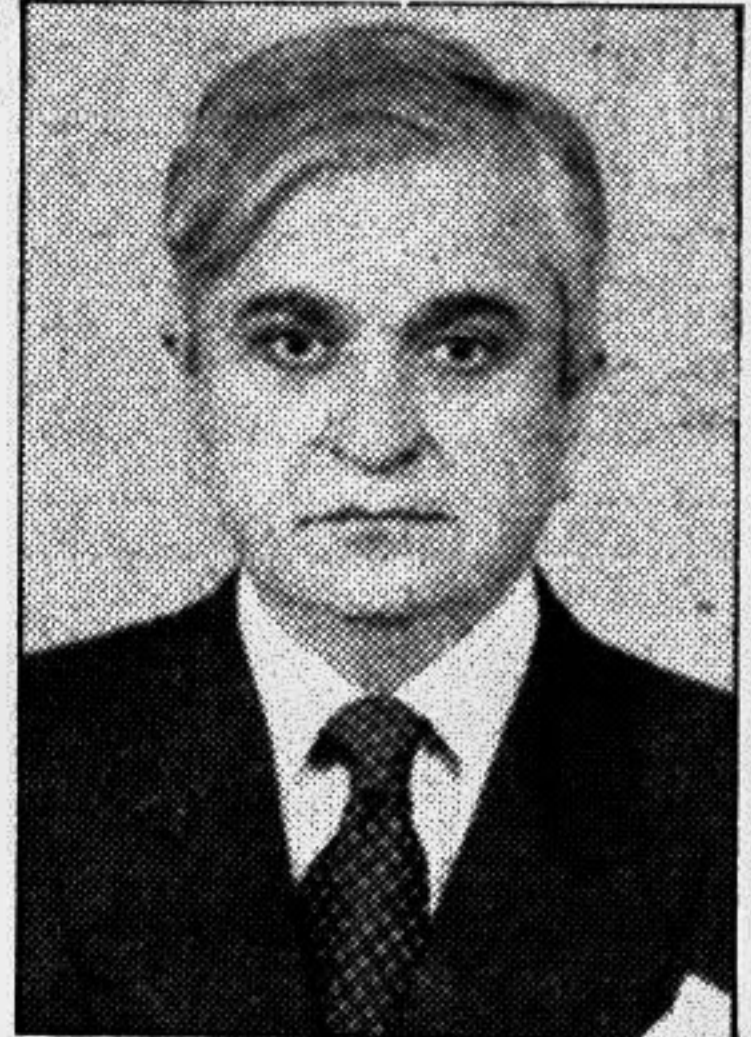
Pakistan is entering a new phase of economic and industrial growth. Prime Minister Nawaz Sharif has accorded top priority to policies aimed at socio-economic development. A programme has been launched for clearing Pakistan's debt liability and to put the national economy on sound footings. The National Debt Retirement Programme has received tremendous response from the public and the Pakistanis living abroad. Other measures have been initiated for ameliorating the debt burden, the fiscal deficit, balance of payment problems and the slow growth rate. Several packages have been presented by the government for the revitalization of the economy.

Pakistan has always made significant contribution in international affairs. It has been in the forefront in fostering international peace and promot-

ing Islamic solidarity. It has taken part in more than 20 peace keeping operations at various places in the world. Pakistan has actively participated in international conferences like women summit, earth summit, population summit and habitat conference held under the UN auspices with the objective of promoting international cooperation and prosperity for the entire world. Pakistan as a peace loving country seeks to promote cooperation and good relations with neighbouring countries and strives for the peaceful settlement of problems.

Bangladesh and Pakistan have maintained brotherly relations over the years. We have shared our history; our objectives and aspirations; our values and culture. Our fraternity encompasses all facets of life which has led to a consolidation and cementing of relations in bilateral fields and multilateral forums. This friendly relationship was reinforced by Her Excellency Sheikh Hasina's visit to Pakistan on 23 March to attend the Extraordinary Session of the OIC held to commemorate the Golden Jubilee of Pakistan's independence. Earlier H E Mr Abdus Samad Azad had visited Islamabad. These visits were greatly appreciated in Pakistan and helped in bringing our two countries even closer.

I am confident that Bangladesh-Pakistan cooperation will be further strengthened for the prosperity and well-being of the peoples of the two countries, in the coming years.



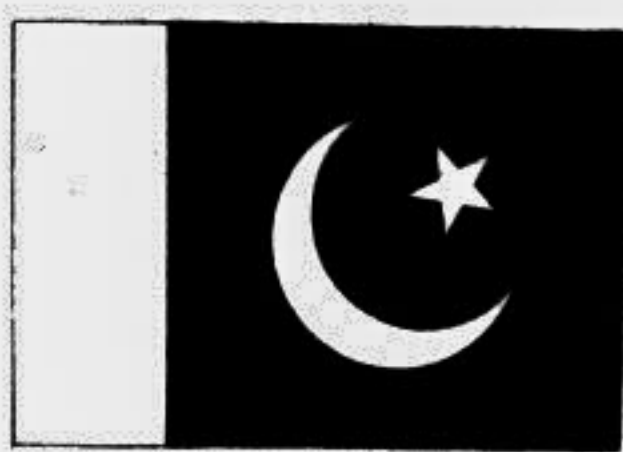
Karam Elahi
High Commissioner for Pakistan to Bangladesh

MESSAGE

Bismillahir Rahmanir Raheem

Pakistan is celebrating the Golden Jubilee of its independence. It was on 14 August 1947 when the Muslims of British India achieved a separate homeland for themselves, after an arduous struggle, under the dynamic leadership of Quaid-e-Azam Mohammad Ali Jinnah.

Pakistan has progressed into a forward looking, democratic Muslim state. We are proud of Pakistan's economic achievements, political maturity, scientific and technological progress and commitment to internationally recognised human values. Over the years Pakistan has made great strides



Renewing ties of friendship.

MCB celebrates Pakistan's Golden Jubilee of Independence with renewed hope for the future.

Since independence Pakistan has witnessed unprecedented growth in every sector of the economy.

MCB wishes to share the achievements of five decades with the brotherly people of Bangladesh.



Muslim Commercial Bank Ltd.
Dhaka - Chittagong

RAHIMAFROOZ

WHERE SUCCESS IS NOT A MERE WORD

It all began in 1954. Today Rahimafrooz epitomises success. Over the years it has emerged as one of the leading organizations in the private sector.

Rahimafrooz is the manufacturing strength behind Lucas Batteries: the market leader in automotive batteries in Bangladesh and an exporter.

Rahimafrooz is the biggest distributor of automotive tyres: The force behind making DUNLOP the largest selling brand of tyres in the country.

Rahimafrooz assembles solar power systems as a stand-alone energy source specially for rural applications.

Rahimafrooz's Industrial Batteries Ltd. has taken a bold and innovative step in manufacturing a highly technical product for domestic and export market.

Rahimafrooz gives customer service: With a country-wide network of authorised dealers providing effective and speedy service to its valuable clients.

Rahimafrooz means diversification: With export-oriented endeavours like Greyfab (Bangladesh) Ltd, producing and exporting woven textile products to USA and Europe.

Splendid achievement indeed. That's not all. Rahimafrooz is poised for a new phase of dynamic growth. Today it can proudly admit that it has the professional strength and competence, an infrastructure ideally suited for joining technical and trade collaboration with foreign partners.

Indeed when it comes to spotting investment opportunities, association with Rahimafrooz would be congenial.

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