

DThe Baily Star DUSINESS

HYUNDAI CARS THAT MAKE SENSE

DHAKA TUESDAY, MAY 19, 1998

Indonesian rupiah breaches 13,000

level

SINGAPORE, May 18: The Indonesian rupiah tumbled through the 12,000 and 13,000 levels against the US dollar today, dragging neighbouring Asian currencies down with it. amid anxiety over the country's crisis, reports AFP.

The Indonesian currency was trading at 12,900 mid-afternoon after being quoted as low as 13,500, dealers said, it marked a 17 per cent gain for the greenback over its last week's close.

The trade was effected by offshore banks, a dealer with a European bank said, as these banks were reluctant to trade with Indonesian institutions.

Offshore banks feared a repeat of last Friday's surprise suspension of rupiah trade because of anti-government riots in Jakarta that have left nearly 500 dead.

The rupiah had ended at 11.050 to the greenback on Thursday. Some analysts are expecting the rupiah to plunge past its historic low of 16,500 in January

Rupiah trade has also been affected by a drastic scale-down of operations by foreign banks in the Indonesian capital, as most staff fled amid the mob rampage last week against President Suharto's 32-year rule.

"There's very little trade on the rupiah because of fears trading may be suspended again if riots break out, you'll never know when these could arise, said Sani Hamid, emerging markets analyst at Standard and Poor's MMS in Singapore.

Jakarta was relatively calm Monday and over the weekend, as Suharto moved to contain last week's anarchy, but jitters still prevailed in the markets. "People are still taking a

wait and see attitude, they're anticipating more troubles ahead," the dealer with a European bank here said.

The Singapore dollar fell to 1.6579 to the dollar from 1.6433 Friday, the Malaysian ringgit to 3.8350 from 3.7799, the Philippine peso at 39.83 from 39.72 and the South Korean won to 1,440 from 1,436.

The Thai baht, which has held ground firmly over the past few weeks, stood at 39.17 to the dollar from 38.91 as Thailand and the International Monetary Fund (IMF) agreed upon a contingency plan to counter possible fallout from Indonesia's unrest and the central bank takeover.

StanChart regional operation chief arrives today

Deepak Khullar, Regional Head of Operations for the Middle East and South Asia region of Standard Chartered Bank, arrives in the city today on a two-day visit, says a press release.

During his visit, Deepak will meet with senior bankers in the country and speak on The Millennium Issue at the Bangladesh Bank.

The Millennium Issue. which is also known as The Year 2000 (Y-2K) Problem, is the potential inability of computers, software and technology products to cope with the date change from 1999 to 2000.

This issue is important because it can lead to many computers, software and technology products failing or producing misleading results, thus disrupting the continuity of businesses through the century change.

2-day seminar begins at IJO tomorrow

A two-day seminar on "Diversification of Jute Uses and Environment" will begin at the conference hall of IJO in the capital on Wednesday, says

Franco Bangladesh Association of Scholars and Trainees (FBAST) and International Jute Organisation (IJO) have jointly organised the seminar.

State Minister for Jute AK Faezul Huq will be the chief guest at the function while Ambassador of France to Bangladesh Renee Veyret will attend it as special guest.

Pak rupee up in kerb market

KARACHI, Pakistan, May 18: The Pakistani rupee opened 0.02 up at 45.48 to the dollar in the kerb market today and dealers said the rupee was likely to rise further amid low demand for the US currency, reports Reuters.

"The dollar seems to be moving in a technical range of 45.45 and 45.65 as there is no actual demand for the dollar, one dealer said, adding the political situation arising out of the Indian nuclear tests and the weakness of Asian currencies had not sunk into the market

The State (central) Bank of Pakistan rate was at 44.0500/44.4905 to the dollar fixed on March 24.

Dhaka to get Tk 9b Danish fund for 4 major sectors

The Danish government is likely to provide Taka nine billion (900 crore) against various development projects of the government in the four major sectors in the next four years (1999-2002), a senior official of Economic Relations Division (ERD) told BSS yesterday.

He said the four major sectors in which the Danish government is willing to finance are water and sanitation, agriculture, inland water transport and infrastructural develop-

The Danish assurance came at the annual consultation meeting '98 relating to the Danish aid for Bangladesh which was held at the ERD on April 21. Joint Secretary to the ERD

BIRMINGHAM, England,

May 18: The world's eight major

powers, worried that Asia's fi-

nancial crisis could trigger

protectionism, pledged yester-

day to keep their markets open

and urged other countries to do

nations said they would use this

week's 50th anniversary cele-

brations in Geneva of the

founding of the GATT world

trade watchdog to reaffirm

their strong commitment to

further liberalisation of trade

ter their annual summit, they

said they were concerned that

the economic turmoil engulfing

Asia could trigger short-term

protectionist forces both in the

region and among the eight -

the United States, Japan, Ger-

many, France, Italy, Britain,

highly damaging to the

prospects for recovery. We re-

solve to keep our own markets

open and call on other countries

to do the same. We emphasise

HONG KONG, May 18: The US

dollar gained ground against

most Asia-Pacific currencies

over the week as investors cast

a wary eye towards growing vio-

lence in Indonesia, dealers said.

struck at the Japanese yen and

the Australian dollar and sent

the Taiwan dollar to a three-

month low as investors headed

The Malaysian ringgit man-

aged to end the week firmer on

higher interest rates, while the

Thai baht arrested its fall with

the Bank of Thailand meeting

lost ground against the dollar

during the week with dollar

buying sentiment getting

JAPANESE YEN: The yen

forward swap obligations.

for the safer greenback.

Uncertainty over Indonesia

reports AFP.

"Such an approach would be

In a communique issued af-

Leaders of the Group of Eight

the same, reports Reuters.

and investment.

Canada and Russia.

AB Siddik led the 30-member Bangladesh delegation at the meeting while head of Asia and the Pacific region of the ministry of foreign affairs of Denmark Carsten Nilaus Pedersen represented the 13-member del-

egation of Denmark. The Danish representative indicated that they are ready to finance the water and sanitation and infrastructural development sectors for development of Chittagong Hill Tract (CHT) if good projects are submitted to

The Danish government has already committed to provide fund for construction of Barisal-Patuakhali-Barguna road, the ERD official said ... will also supply dredgers and

the importance for the affected

countries of continued opening

of their markets to investment

US President Bill Clinton

will be among world leaders

who will be in Geneva to ad-

dress the world trade organisa-

tion, the successor of the Gen-

eral Agreement on Tariffs and

mention of a new millennium

round of world trade talks,

which the European Union

would like to start in 2000, but

which others including the

Instead the G8 said it sup-

United States and some devel-

ported efforts to complete exist-

ing multilateral commitments.

push forward the WTO's existing

agenda and "tackle new areas in

pursuing broad-based multilat-

themselves to show developing

countries it was in their inter-

est to shun protectionism by

delivering early, tangible bene-

fits of free trade to help boost

Dollar gains ground against

most Asia-Pacific currencies

stronger amid a worsening cri-

The Japanese currency was

PHILIPPINE PESO: The

SINGAPORE DOLLAR: The

SOUTH KOREAN WON: The

quoted at 134.12-15 yen in late

Friday trade, compared with

Philippine currency closed Fri-

day at 39.76 pesos to the dollar

from 39.61 pesos the previous

Singapore dollar depreciated to

1.6433 against the US dollar

South Korean won weakened

last week on concerns over In-

donesia's crisis and local mar-

ket jitters, closing at 1,440 against the US dollar Saturday

TAIWAN DOLLAR: The Tai-

PY 78833

11 Sec. 25

a de terrois de

\$100 PER S 1000000

8: %- 998

mic 159 (60 1000)

from 1,390 a week earlier.

from 1.6230 the previous week.

132.84-87 ven a week earlier.

sis in Indonesia.

growth and alleviate poverty.

Leaders also committed

oping countries oppose.

eral liberalisation."

The communique made no

and trade," the statement said.

Asian financial crisis

G-8 calls for keeping

markets open

ferries in water transport sector subject to announcement of a national inland water transport policy.

The annual consultation meeting '98 also discussed the progress of 22 projects involving Taka 133 crore undertaken in the water and sanitation, agriculture and infrastructural development sectors, according to sources.

They said the Danish representative urged Bangladesh to accelerate the implementation of the projects.

The government has already launched several projects in water and sanitation sector in the coastal districts under Danish financial assistance to ensure safe drinking water.

Roundtable at MCCI French firms to discuss opportunities tomorrow

The French companies in India, Pakistan, Sri Lanka will participate in a roundtable here to discuss the economic opportunities in Bangladesh on

Wednesday, reports UNB. The round-table will be organised jointly by the French Embassy and Metropolitan Chamber of Commerce and Industry. Dhaka, at the Chamber Building, Motijheel.

The delegation at the invitation of French embassy will arrive here today

The French delegation will be accompanied by the French Ambassador in Bangladesh, the French Trade Commissioner and other officials of the Embassy, said an MCCI release.

Dr A K M Mashiur Rahman Secretary, Economic Relations Division and Chairman, National Board of Revenue, K M Ejazul Huq, Secretary, Ministry of Industries and M H Khan. Chairman, Bangladesh Export Processing Zones Authority will make presentations at the round-table, which will be followed by discussions.

wan dollar lost 0.8 per cent over

the week to settle at 33.493

against the greenback Satur-

day, the lowest level in three

months, depressed by the yen's

weakness and unrest in Indone-

was expected to move in a nar-

row-range in the short-term

under close watch by the central

was relatively stable through-

out the week, closing Friday at

39.00-05 to the dollar, com-

pared to its previous weekly

The baht managed to

weather the unrest in regional

neighbour Indonesia because of

a strong need for the local cur-

rency to repay central bank of

Thailand forward obligations

HONG KONG DOLLAR: The

INDONESIA RUPLAH: The

MALAYSIAN RINGGIT: The

Hong Kong dollar ended the

week at 7.7475-7. 7495 from

Indonesian rupiah closed the

week at 9,150 to the dollar on

Friday compared to 8,669 a

ringgit closed the week firmer

at 3.7799 to a dollar from

3.8050 previously as most play-

ers liquidated their long dollar

positions due to higher interest

continue to be volatile in line

with other Southeast Asian

currencies as regional markets

cast a wary eye towards In-

The New Zealand dollar closed

Friday worth 53.49 US cents.

down from 54.33 cents a week

NEW ZEALAND DOLLAR:

donesia, one dealer added

Trading of the ringgit would

rates, dealers said.

earlier.

week earlier amid civil unrest

7.7494-7.7499 a week ago.

close of 38.65-75.

analysts said

THAI BAHT: The Thai baht

Analysts said the currency

'Bangladesh business community watching development'

US ban on India

Bangladesh business community is closely watching the developments in the region following US trade embargo on In-

President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Yusuf Abdullah Harun told UNB Sunday that the business community is monitoring the developments and keeping a close eye if the embargo leaves any positive impact for Bangladesh.

"It is too early to comment, said the FBCCI president.

Business community and the bankers here however tend to believe that Bangladesh may have larger access to the US market following the embargo on India.

BGMEA president Mostafa Golam Quddus said the situation may give an excellent opportunity for Bangladeshi businessmen to enter the US market more vigorously.

"It's an occasion for us to make a dent in the US market," said the BGMEA president. He also pointed to the volatile situation in Sri Lanka.

Quddus sought greater cooperation from the banks for taking advantage of the situation. He hoped that the government would soon realise the situation and ask NCBs to extend the assistance needed.

Senior Vice-president of DCCI Masudur Rahman said, "We are studying how we will utilise the opportunity."

He said exports like frozen food, ready-made garments, jute, leather may be benefited.

Weak Indian rupee may hurt Dubai's gold trade

DUBAI, May 18: Dubai traders said on Sunday gold reexports to India remained subdued and expected jewellery sales to drop in the week ahead due to a weaker rupee after India conducted a series of nuclear tests.

"Demand for raw gold (bullion) has dropped sharply to less than 50 per cent of what it was a year ago." a Dubai gold trader told Reuters.

He said Dubai traders, hurt by India's liberalisation of the gold trade, expected to feel the impact of a weaker Indian rupee more keenly in the weeks ahead.

Castrol finds local partner to market its engine oil

Star Business Report

After its 33-year partnership with the government, Castrol, one of the biggest lubricant manufacturers in the world, yesterday signed an agreement with a private company Ben-Lub to market its engine oil in Bangladesh.

A UK-based multinational, Castrol found its local partner when the government oil company Jamuna was appointed last year to market Mobil products in Bangladesh.

"It was a mutual divorce."

said Henry M Willmington, regional controller of Castrol in Hong Kong. He said he had been looking for a suitable partner for last two years. Castrol says it currently

holds some 28 per cent (about 18 million litres) of the 50 to 60 million litre lub oil market in Bangladesh.

"It is a good start," said J.T. Lee, managing director of Castrol Singapore Ltd. "We are new here but our prospect in Bangladesh is good."



Regional Controller for Castrol Asia Pacific, Henry M Willmington (L) and Chairman of Ben-Lub Pvt Ltd, HBM Iqbal, MP, exchange documents of an official distributorship agreement signed at a city hotel yesterday while the State Minister for Energy and Mineral Resources, Prof Rafiqul Islam, looks on. -Star photo

Lee and Willmington, in Dhaka to attend the signing ceremony, believe they would be able to secure a larger market share through this distributorship agreement.

Training programmes for local executives would also be organised for developing a better marketing mechanism, said Dr. HBM Iqbal, chairman of the Ben-Lub.

The annual sales turnover of Castrol stood at six billion US dollars last year, said Willm-

Ben-Lub will employ a total of 100 executives and personnel in his office to market Castrol's engine oil, said Dr. Iqbal. Iqbal, a ruling party MP and owner of Bangladesh's first private airline Aero Bengal, said he wants to market Castrol products in a professional manner.

With operations in 54 countries, Castrol markets more than 5,000 high quality products to customers around the world with 12,000 employees in more than 130 countries. The company will celebrate its 100 years next year.

Incorporated in 1997, Ben-Lub is the first private company in the country to be granted a license to import and distribute petroleum and chemical products, according to a Castrol press release.

State Minister for Energy and Mineral Resources Prof Rafiqul Islam was present at the ceremony.

JS body reviews problems of Janata Bank

Standing Committee on the

Mohammad Ali Ashraf presided over the meeting. lt discussed various prob-lems faced by Janata Bank and

put forward some suggestions to resolve the problems. The meeting also reviewed the present status of the bank's

and financial irregularities. Ministry and Janata Bank were present.

Selling Buying

A meeting of Parliamentary

Ministry of Finance was held at the Sangshad Bhaban Sunday , reports UNB. Committee Chairman Prof

sector-wise loan, administrative problems, its manpower Senior officials of Finance

Exchange Rates

Currency

American Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients

Selling TT & Buying

emicine,	OD	TT Cle	* To a property of the control of th	OD Sight	TT & OD
USD	46.5050	46.110	0 46.545	0 45.9570	45.8850
GBP	75.7613	74.449	2 75.826	5 74.2022	74.0859
DEM	26.2118	25.778	5 26.234	4 25.6930	25.6527
JPY	0.3466	0.3400	0.3469	0.3389	0.3383
FRF	7.8631	7.6401	7.8699	7.6147	7.6028
SAR	12.4325	12.261	0 12.443	2 12.2203	12.2012
MYR	12.0716	11.969	1 12.082	0 11.9294	11.9107
AED	12.6966	12.519	0 12.707	5 12.4775	12.4579
KWD	157.0850	145.84	85 157.22	01 145.3645	145.1368
QAR	12.8120	12.630	1 12.823	0 12.5882	12.5685
USD U	sance Export Bil	l Buying Ra	tes:		
TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
		PROCESS OF THE PROCES		THE THE RESERVE THE RESERVE AND ADDRESS OF THE R	The state of the s

46.0112 | 45.7258 | 45.3415 | 44.9573 | 44.5730 | 43.8045 US dollar London Interbank Offered Rate (LIBOR) as of May 18, 1998 Currency 1 Months 3 Month 6 Months Selling Months Months 5.8437 5.9062 Cash 45 8850 46 5050 USD 5.6875 7.5 TC 45 8850 46 5050 GBP 7.4375 Exchange Rates of Some Asian Currencies Against US Dollars Thai Baht | Malaysian Indonesian Korean Indian Rupee Pak Rupee Rupiah 39.350/450 3.8524/3.9024 12200/13200 1442/1448 44.140/175 40.530/560

Local interbank market was active on Monday. Demand for US dollar was high on the earlier part of the day and later it eased when some nationalised banks sold their surplus dollar to get local funds. USD/BDT traded within a range of 46.4490 to 46.4550. The call money market witnessed high pressure after the central bank

sold Treasury bills worth 9 935 billion taka call rate ranged between 10%-

In the International market, the US dollar edged up against the yen by late Tokyo trade on Monday as its sentiment remained bullish after the Group of Eight (G8) summit due to concern over the situation in Indonesia and over the health of Japanese economy. The greenback stayed around 135 yen throughout the day. But the fear of possible Bank of Japan intervention limited the dollar's upmove. Sterling reversed its earlier losses against the dollar as sterling yen got boost from dollar/yen climb. Earlier the pound was under pressure from an article in the Sunday Times saying British industrialists believe Prime Minister Tony Blair was targeting the pound's entry into European Monetary Union (EMU) less than a year after the next election. The market was keeping an eye on speech by Bundesbank President in London due later in the day. At 1930 hours local time US dollar traded at 1.7894/99 DEM, 135.65/70

yen, 1.4890/00 SFR, 8.0015/35 FFR and GBP at 1.6189/95 USD

Shipping Intelligence

CHITTAGONG PORT

Berth position and performance of vessels as on 18-5-98. Berth Name of Vessels Cargo L. Port Local Date of Leaving

No	Name of Vesse	is Cargo	Call	Agent	Arrival	Leaving
J/1	Mounakea (R/L)	Caraca	Jedd	Cross	15/5	20/5
J/2	Ryong Nam San	Rice (G)	Kaki	OWSL	5/5	19/5
J/3	Al Salamas	Rice (P)	Cal	ASLL	12/5	25/5
J/4	Alam Tabah	Sugar (G)	P Sud	a Seacom	10/5	24/5
J/5	Arktis Dream	GI	Sing	Sunshine	13/5	20/5
J/6	Adhiguna Jaya-	1Cement	Sing	PSAL	1/5	22/5
J/7	Josie	Rice (P)	Kaki	USTC	28/4	18/5
J/8	Ocean Brave	GI .	Yang	Everett	12/5	19/5
J/10	Sea Joy	Rice (G)	Cal	Seacom	4/5	18/5
J/11	Atlantica	Rice (G)	Kaki	Sunshine	21/4	20/5
3/12	Kota Chaya (Prt	Cont	Sing	Pil (BD)	13/5	20/5
J/13	Kota Berjaya	Cont	Sing	Pil (BD)	10/5	21/5
CCT/1	Banglar Doot	Cont	Sing	BSC	14/5	20/5
CCT/2	Banga Biraj	Cont	Sing	BDShip	9/5	18/5
CCT/3	Diligence Cont	Cont	Sing	QCSL	12/5	19/5
RM/14	Great Best-1	Cement	Sing	Delmure	26/4	23/5
CCI	New Reach	C Clink	T Yan	g Seacom	7/5	21/5
GSJ	Banglar Aasha\	Wheat (G)	£ 100000	Lams	R/A	19/5
RM/5	Stavanger Oak	HSD	Kert	ECSL	14/5	19/5
DOJ	Banglar Jyoti	C Oil	8	BSC	R/A	18/5
DDJ/1	Tanary Star	Idle	Para	PSAL	350	
CUFLJ	Tempest Cen	nent/Idle	Sing	HSL	R/A	20/5

Name of Vessels	Date of L Port Arrival Call		Local Agent	CargoLoading Port	
Ocean-1	18/5	Yang	Cross	Pulse/Log	-
Skylark	18/5	Mong	OTBL	Ballast	275
Gold State-6	18/5	Kaki	Litmond	Rice (G)	76 2 5
Sing Hai 10/5	22/5	Sing	OCST	Cont	Sing
Delta Star	19/5	Rouen	RSA	Wheat (G)	
Gui Jiang	20/5	19 0 58	BDShip	CI	C Port
Nan Ping Shan	25/5	Kosc	MBL C	Clink (M Jetty)	iviterative. Re€i
Ocean Alpha	23/5	Sing	ILAPSL	DOMESTIC STATES OF STATES	22
Jiang Chuan	20/5	E TO	BDShip	Ci	3
Banglar Shikha 21/4	21/5	Sing	BSC	Cont	Sing
Puppis	21/5	(572)	Lutful	•	-
Jin Cheng Jiang	22/5	Mong	ECSL	Ci	33 0
Sanko Laurel	21/5	Vanc	Litmond	M Seed	3. *
Leona	21/5	Bus	Prog	G	
Manaslu 12/5	22/5	Col	Baridhi	Cont	Col
Xpress Resolve 13/5	22/5	Sing	RSL	Cont	Sing
Tia Estela	22/5	VORTER STATE	Oil	CI	-
Forest Trader	22/5	Nago	OTBL		12.5
Sea Ranger	22/5	Odes	Litmond	Mop in Bulk -	
Martina	23/5	Kand	Cross	Rice	(C*)
Brisa Azul	23/5	35 0 00	Everett	Ci	S2 8 5
White Flores	24/5	3.00	Everett	CI	(m
QC Pintail 14/5	28/5	Sing	GCSL	Cont	Sing
Nol Beryl 17/5	27/5	Sing	Nol	Cont	Sing
Hai Xiong 13/5	29/5	Sing	Pil (BD)	Cont	Sing

	Vessels			
Name of Vessels	Cargo	Last Port Call	Local Agent	Date of Arrival
Laut Tide	£	Sing	B Bay	R/A (25/2)
Aspilost Tide	C Oil	Rast	BSL	16/5
Banglar Shourabh	C Oil		BSC	R/A
Mo	vement of	vessels for 19	9-5-98	
OUTGOING	SHIFTING			

J/11 Sea Bright

RM/6 P of South

GSJ B Kakoli

The above are the shipping position and performance of vessels

of Chittagong Port as per berthing sheet of CPA supplied by

J/5 Ritz

J/8 Ocean Brave CCT/3 QC Teal CCT/3 D Container NB Abuja RM/5 Stavanger Oak J/2 Rong Jiang RM/3 Vanino DOJ B Jyoti DOJ B Shourah RM/5 C Casle

J/2 RN San

Kafco(U) Royal

GSJ B Asha

If Pakistan conducts N-test, economy to suffer: Experts

ISLAMABAD. May 18: In- tion of 140 million people. ternational sanctions that seem sure to follow should Pakistan test a nuclear device could deal a deadly blow to the country's economy, say businessmen and financial experts. reports AP.

Japan's special envoy Siichiro Noboru who was to meet Monday with Prime Minister Nawaz Sharif and Foreign Minister Gohar Ayub to urge Pakistan not to follow India's lead and test a nuclear device. "Pakistan and Japan have a

very close relationship ... and our concerns are obvious," said an official from the Japanese Embassy, who asked not to be identified.

Japan is Pakistan's biggest donor already having given 6.5 billion dollars to this poor naSome businessmen are say-

V Thyagarajan, Area Director of Glaxo Wellcome Asia Pa-

cific Pte Ltd, Singapore, visited the Chittagong factory

and opened a newly constructed Quality Control Labo-

ratory recently. J Foong, Regional Finance Manager, was

with him. Also seen in the picture are: Alauddin Ahmed, S

Fazlul Haque (Managing Director) and AHM Zaker.

ing that sanctions could force Pakistan to default on its debts. "It would be a huge blow," said Shaukat Masood, a textile exporter. "It will bring an economic crisis.

Amanullah Khan, president of the Islamabad Stock Exchange, said sanctions could reduce the value of shares in Pakistan by as much as onethird. "Foreign interests will start

index will plummet." Analysts say Pakistan is more vulnerable to sanctions than India. While India is the largest recipient of World Bank loans and aid in the world, it has 25 billion dollars foreign exchange reserves to buffer ef-

pulling out," Khan said. "The

fects of sanctions. Pakistan's foreign exchange reserves is barely 1.2 billion

dollars enough to cover six weeks of imports. India also has in place foreign exchange controls which

prevent large investors pulling out quickly. Pakistan does not. Analysts said Pakistan has to be worried about the response of the donor community and international financial bodies. Pakistan's economy relies heavily on overseas assistance. Last week Finance Minister

Sartal Aziz said that more than five billion dollars in aid had been pledged to Pakistan over the next one year by foreign The World Bank has recently increased its annual assistance

from 650 million dollars to 850

million dollars annually. Without this aid, and a 1.6 billion dollars loan programme funded by the International Monetary Fund, Pakistan may default on its massive international debts. According to Khan it is possible that Pakistan simply refuses to pay back any

Amex notes on Monday's market

more money We would have great difficulty getting the foreign exchange for the debt repayments," he said. "We would have to rely on Pakistanis overseas to send the money back or friendly nations to lend it to With an average monthly trade deficit of 150 million

dollars, and a 700 million dol-

lars debt payment to make in

June, the country's foreign ex-

change reserves would soon be

exhausted. Some industrialists say Pakistan will squander an opportunity for growth if it tests a nuclear device. "With the Indian sanctions and the problems in Indonesia

a lot of business was coming our way," said Massod. (If we test) we will miss out on that and a more. Some, however, are more optimistic. Amin Issa Tai, a stock bro-

ker, said that if Pakistan is hit with sanctions similar to those imposed on India, the impact would be manageable. "The sanctions imposed on India are half-hearted," he said.

serious. Dr Ashfaq H Khan, a financial advisor to the government,

"Only Japan and America seem

agreed saying "If they impose the same sanctions on us as have been imposed on India then it will cause few difficulties. In India "The World Bank

hasn't stopped lending there,' he said.

Analysts also point out that Pakistan shrugged off sanctions imposed by the US in 1990. President George Bush cut off US aid in protest at Pakistan's suspected nuclear weapons development programme. Recently the sanctions were partially lifted.

Khan said that whatever the economic damage Pakistan was given no choice. "There was no alternative. In the history of every nation there comes a time when they are tested and people have to suffer.

Terrorism hits tourism in Lanka

J/5 Arktis to J/10

COLOMBO, May 18: Tourism in Sri Lanka dropped in March following three bombings blamed on separatist Tamil guerrillas, officials said Monday, reports AP.

Tourists arrivals totalled 32,256 that month, a drop of 5.4 per cent compared with March 1997, said the Ceylon Tourist Board. The tourism industry, one of

the country's largest foreign ex-

change earners, had set a target of 450,000 for 1998, about 20 per cent more than last year. But in the first three months, tourism rose a modest 3 per Europeans, led by Germans

and Britons accounted for some 70 per cent.