TOKYO, Oct 18: The world needs reflationary policies with more money supply to avert a crisis and restore stability to the global economy, Japan's Vice Finance Minister Eisuke Sakakibara said in an interview published yesterday, reports AFP.

"The world needs major reflationary polices, coordinated Keynesian policy is probably what we need," Sakakibara, called "Mr Yen" for his influence on currency markets, said in a meeting with an economist organised by The Yomiuri Shimbun.

Keynesian policy calls for higher government spending and monetary easing at a time

of recession. Harvard University Professor Jeffrey Sachs, who took part in the meeting with Sakakibara, said: "I would plug the bank of Japan to make very clear inside Japan and to the world that it is going to expand

money supply sufficiently."

Sakakibara said Japan needed to "quickly infuse a very large amount of money into the viable banks.

Japan's parliament ended months of political wrangling Friday and enacted the last of Tokyo's bank reforms, setting up a 60 trillion yen (520 billion dollars) fund to tackle the country's banking crisis.

The upper house voted in the final reform, which will be used to prop up weak but solvent banks with public money.

Sakakibara also called for "a second Bretton Woods," which would replace the postwar monetary system, under the International Monetary Fund (IMF), to better cope with the new environment such as fast cross-border flows of money.

#### Kyrgyzstan voters okay land reform

MOSCOW, Oct 18: Voters in the Central Asian nation of Kyrgyzstan overwhelmingly approved a constitutional amendment that in theory calls for the private ownership of land, a news report said Sunday, reports AP.

Over 90 per cent of voters in Saturday's referendum approved the amendments, proposed last month by Kyrgyz President Askar Akayev, the ITAR-Tass news agency reported.

However, as part of the amendment, Akayev plans to introduce a five-year moratorium on private land sales that could extend for 20 or 30 years if it is delayed in the country's parliament, said Sulaiman Imanbayev, chairman of the Kyrgyz Central Election Commission.

The proposed amendment is designed to grant Kyrgyzstan's rural residents ownership of the small land plots they live on. Non-Kyryz citizens and companies with foreign participation would be barred from owning land in the republic.

Kyrgyzstan is a poor agricultural nation that has seen minimal economic development since the country gained independence from the Soviet Union in 1991.

### Nile to be completely clean by '99

CAIRO, Oct 18: A programme to clear the river Nile of pollution, and especially of industrial contamination, is on track for early next year, Egypt's minister of state for the environment said in an interview published yesterday, reports AFP.

"After we have got rid of different types of pollution, the Egyptian Nile will be completely clean by 1999," Nadia Obeid told the state-owned daily Akhbar Al-Yom.

She said only four factories in upper (southern) Egypt were still pumping contaminated water into the Nile, down from 100,000 cubic metres (3.5 million cubic feet) of tainted water

from 30 factories in 1996. The project had cost the state 350 million Egyptian pounds (105 million dollars), she said. Obeid said that another pro-

gramme was under way to force boats using the Nile to dump waste at 230 sewage stations up and down the river. When she was appointed

minister of state for the environment in January 1996 Obeid pledged to eliminate all forms of pollution in the Nile before the year 2000.

According to official Egyptian statistics, there were 5,500 sources of contamination, mostly factories, on the banks of the river in 1995.

### Tamil Nadu buries 2.8 million eggs

NEW DELHI, Oct 18: Indian state officials Saturday destroyed 2.8 million rotten eggs in the southern state of Tamil Nadu, the Press Trust of India said, reports AFP.

The eggs, meant to be served to poor schoolchildren under a state-run welfare scheme, were buried near the town of Salem after they were found to be "unusable," an official said.

The eggs, kept in refrigerated godowns, were tested after several schoolchildren fell ill after eating state provided lunches in

school. Transported in 11 trucks, the eggs were buried in giant pits at a village near Salem, a hub of India's stainless steel industry.

'Global financial health depends upon Tokyo'

# Clinton hails Japanese banking sector reform plans

WASHINGTON, Oct 18: US President Bill Clinton yesterday praised Japan's steps to re-form its fragile banking system, and said world financial health depended on quick economic reform in Tokyo, reports

Clinton said in his weekly radio address it was critical for Asia and Europe to promote growth to prevent new global financial turmoil and protect

American prosperity.

He said Japan, the world's second-largest economy behind the United States, must lead by opening and deregulating its economy to strengthen its financial system.

"Now the health of Asia's economy and indeed the world depends upon Japan," Clinton said from the White House before departing for the Middle East peace talks in Maryland.

Japan is under global pressure to recapitalise its debtheavy banking system. Parliament enacted measures on Friday that would, among other things, spend 517 billion dollar in public funds to replenish the reserves of weak but viable banks.

Clearing bad loans, boosting capital and resuming healthy lending practices are said to be central to reversing Japan's worst post-war recession and averting world economic hard-

"I welcome the substantial assistance in Japan's legisla-tion to repair its troubled bank-ing system," Clinton said, now its critical to avoid further delay by moving quickly and using that money more effec-

Clinton said US prosperity "is inextricably tied to the strength of an increasingly interdependent world," which supports American exports and services, and he said the United States was doing its part to help offset turmoil caused by countries who are having a hard time" managing their economies.

"We must act to promote our own prosperity and to protect our people at this critical moment by working to stabilise the global economy and helping our friends to restore growth."

Clinton's remarks came two days after the US Federal Reserve, in a surprise move, cut key lending rates by a quarter percentage point for the second time in under three weeks.

Also this week, the White House and Congress agreed, as part of the federal budget deal, to free up 18 billion dollars for the International Monetary Fund. The extra money will generate contributions from other countries, boosting IMF resources by some 90 billion dollars as it struggles to draw up

loans for nations squeezed by

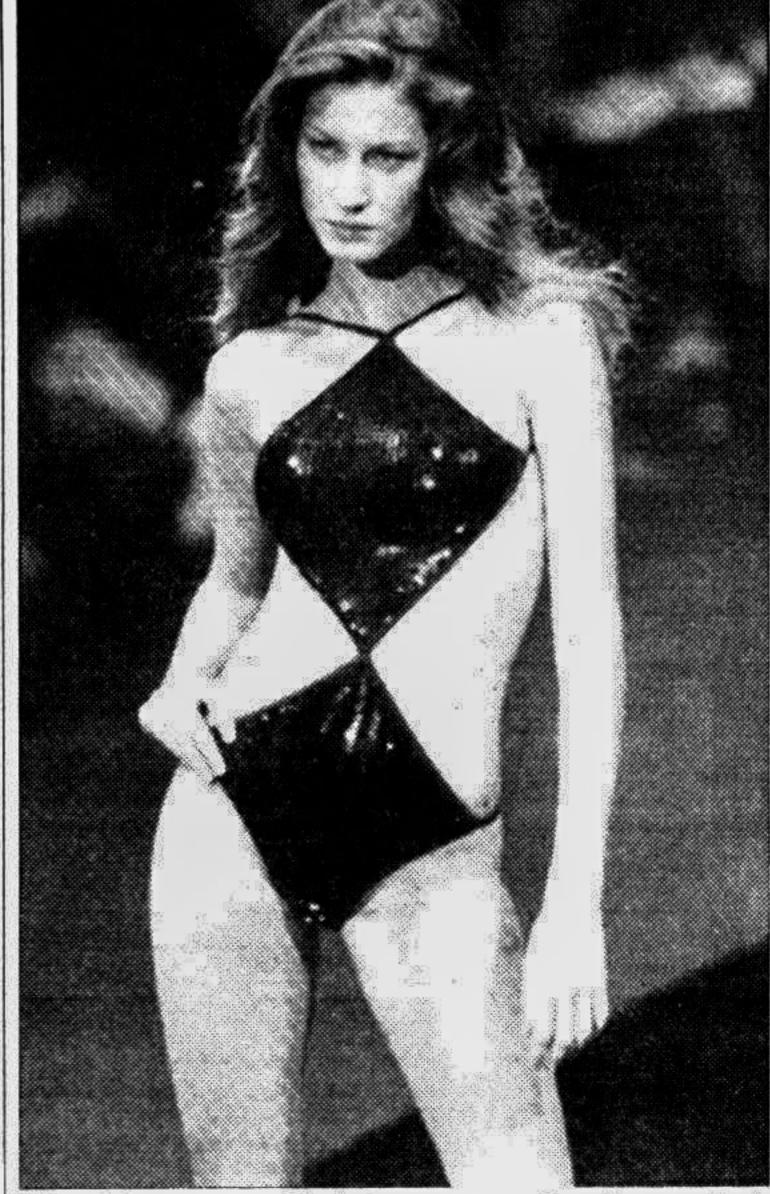
the global financial downturn. "Now the IMF is stronger and ready to act," Clinton said. "We must make certain that when it acts, it acts to promote global growth and to limit the reach of financial crisis. In turn, this will foster a stronger economy here at home."

Meanwhile an AP report adds: Clinton signed defense au-thorization and spending bills Saturday for the fiscal year that began Oct. 1. He voiced reservations, however, over a provision in the \$270.5 billion spending bill, which requires him to report to Congress before any military involvement in Albania, Macedonia or the Serbian province Kosovo.

Clinton, threatening NATO airstrikes unless Yugoslav President Slobodan Milosevic halts violence in Kosovo, said in a statement: "I shall interpret (the provision) to apply only to the deployment of additional ground forces."

He added that he would implement the measure consistent with his authority as commander in chief "and not in a manner that would encumber my constitutional authority."

The legislation that Clinton signed also raises military pay by 3.6 per cent, supports Clinton's decision to keep US troops in Bosnia and imposes new curbs on satellite exports.



A model presents a black two-square swimsuit as part of Givenchy's 1999 spring/summer ready-to-wear fashion collection presented in Paris last Wednesday.

AP/UNB photo

## Weekly Currency Roundup

## Most Asian units close higher against dollar

HONG KONG, Oct 18: Most Asian currencies closed higher against the US dollar with the greenback losing ground late in the week on news of the interest rate cut by the Federal Reserve. says AFP.

Japanese Yen: The Japanese currency rallied during the week, with investors encouraged by the passage of crucial

banking reform bills.

The Japanese unit was quoted at 116.42-46 against the dollar in late trading on Friday. compared with 117.18-22 a week earlier.

Yen-buying sentiment remained strong as investors spurred by the passage of the bills aimed at rehabilitating the nation's ailing banking sector, dealers said.

The yen moderately fell in the middle of the week on speculation that Japan might cut its already low interest rates, deal-

But the Japanese currency regained on Friday after the dollar lost ground in the US Federal Reserve's interest rate

Australian dollar: The cut in US interest rates was a positive move for the Australian dollar but given commodity dependence the local currency remains vulnerable in the week ahead, brokers said.

The currency had another strong week, gaining 1.99 US cents to close Friday at 63.56 US cents, following a 2.2 cent

gain in the previous week. Hong Kong dollar: The Hong Kong dollar closed Friday at 7.746-7.747 to the greenback compared to 7.747-7.748 the

previous week. Indonesian rupiah: The Indonesian rupiah strengthened to close the week at 8,470 rupiah to the greenback, compared to last week's closing of 9,000

New Zealand dollar: The New Zealand dollar was pushed sharply up a cent Friday by US interest rate news before closing worth 53.86 US cents, up from the 52.50 cents closing a week earlier.

Philippine peso: The Philippine currency gained 0.8 per cent to close at 42.92 pesos to the dollar on Friday from 43.25 to the dollar the previous

Singapore dollar: The Singapore dollar ended the week higher against The US dollar to 1.6198 from 1.6485 previously.

South Korean won: The won strengthened to 1,323 won against the US dollar on Saturday from 1,343 won a week ago amid higher foreign exchange

South Korea's foreign exchange reserves rose to 47.7 billion dollars in the first half of this month from 46.98 billion at the end of September, the central bank of Korea said.

Taiwan dollar: The Taiwan dollar rose 0.2 per cent against the greenback over the week to settle at 32.894 on Saturday, analysts said the currency was expected to move between 32.50 and 33.00 in the week ahead.

Thai baht: The Thai baht continued to appreciate closing on Friday at 37.86-93 baht compared to last week's close at 38.52-57.

to be known as the triangle

which dominated the country's

political stage: the military,

drug barons and the clergy.

Politicians, regardless of their

ideological leanings and party

allegiance, have to perform a

ancing act within this triangle,

many of the country's leading

The report also claims that

carefully choreographed bal-

# US blue chips bask in Fed rate cut

NEW YORK, Oct 18: Blue-chip stocks on Friday enjoyed an excellent week, rising 6.5 per cent on the surprise decision by the Federal Reserve board to lower key interest rates, reports AFP.

The Dow Jones Industrial Average closed at 8,416.76, a 517.24 point rise (6.54 per cent) over the week. The Nasdaq Composite Index closed 128.46 points (8.6 per cent) higher at 1.620.95 over the week.

On the bond market, the average yield on the bellwether 30-year treasury bond was 4.959 per cent from 5.106 per cent a week before.

In addition to the interest rates. Wall Street was focused on US company quarterly re-sults, which included decliners such as Caterpillar, Cova-Coa, BankAmerica and Merrill Lynch and advancers such as high-technology companies Intel Et Apple.

The big loser in the lowering of the interest rates on Thursday was the dollar, which fell further against major international currencies, closing at 115.18 Japanese yen against 116.30 a week earlier and 1.6175 German marks against

1.6341. This week's rally has spurred some analysts to revise their worst predictions for the stock market, Ralph Ccampora, a Prudential Securities analyst who predicted in early August the market would undergo a se-

vere correction over the next three months, said the Dow would likely remain in the range of 8,600 to 8,700 points in the next few weeks. "The ability of the DJIA to

bounce off its 7,400 level last Thursday and quickly break above its former resistance at the 8,250 area now puts a much stronger floor under this average," Acampora said.

"The quality of the current near-term rally will obviously dictate the extent of the advance, but it will also give us insight as to the strength of 7,400 as a meaningful bottom."

Coca-Cola finished at 69-1/4 from 63-13/16 the previous Friday, Caterpiller was stable at 46-15/16 from 46-9/16, Merrill Lynch closed the week at 49-7/8 from 45-5/8, BankAmerica rose from 49-3/4 to 54 dollars, JP Morgan fell from 89-1/2 to 84-3/8. Citigroup rose to 41-13/16 from 35-3/8 dollars and American express was up to 88-7/8 from 77 dollars.

In the auto sector, Ford was at 50-13/16 from 44-1/4. Chrysler 45-1/2 from 41-5/8 and General Motors 59 dollars from 50-7/8, Goodyear rose to 52-1/2 from 48 dollars.

Merck closed the week at 135-1/4 against 130-1/16 while Monsanto fell 10 dollars to 39-7/16 against 49-3/16 after a planned merger with American Home products fell through.

## London stocks end week higher

LONDON, Oct 18: The London Stock Exchange rounded off a week of strong gains with final surge on Friday, boosted by the surprise cut in US interest rates and hopes that the Bank of England will follow suit, reports

The FTSE 100 Index of leading shares ended the week at 5,133.1 points, up 309.7 points over the week.

After a nervous previous week, the market saw almost daily gains, except for a dip caused by profit-taking on Tuesday.

The biggest motivators were Thursday's unexpected cut in the US Federal Reserve's interest rates and growing speculation that the Bank of England will respond to pressure to add to its quarter-point cut made

A rate cut draws investors out of the currency markets and into equities.

Sentiment was also boosted from the start of the week by the approval in Japan of the government's banking reform laws, seen as crucial to restoring confidence in the world's second largest economy.

On Friday, the Bank of England reminded investors that it had the capability to take rate decisions at any time, not just on its monthly regular meet-

There was further support for this when official figures showed Tuesday that inflation hit the government's 2.5 per cent target for the second month in a row in September, followed by jobless and wage data on Wednesday that also pointed to an economic slow-

However, some analysts warned of underlying nervousness that the slowdown may be severe, something that may be reflected in company results at the end of this month. David Bowers, European eq-

uity strategist at Merrill Lynch,

said that the worldwide finan-

cial crisis threatened even economies with sound fundamentals. "There's a lot more turbulence to go through before the positive economic fundamen-

tals can reassert themselves, he said. "The big question now is whether the financial markets will create a recession in the

real economy," he said. A Merrill Lynch survey of European fund managers found that investors are "more nervous about stock markets" in continental Europe, but that British stocks are attractive.

Financial stocks performed strongly most of the week. Standard Chartered rose to 564.75 pence a share from 505 pence, HSBC rose to 1,301 pence a share from 1,220 pence, and Natwest rose to 899 pence a share from 812 pence.

## **Exchange Rates**

Selling

Standard Chartered Bank effective on Sunday, October 18, 1998 Central Bank USD/BDT Rate: Buying-BDT 46.95/ Selling-BDT 47.25

Currency

TT Doc 30 Days 60Days 90 Days

			Control of the Contro		The second secon
TT/OD	BC		TT Clean	OD Sight DOC	OD TRANSFER
48.7100	48.7500	USD	48.3150	48.1549	48.0708
83.7568	83.8256	GBP	81.4349	81.1651	81.0233
30.4342	30.4592	DEM	29.6593	29.5610	29.4551
0.4302	0.4306	JPY	0.4136	0.4122	0.4115
37.5270	37.5578	CHF	36.2861	36.1659	36.0216
26.9399	26.9620	NLG	26.3139	26.2267	26.1382
30.2923	30.3172	SGD	29.6048	29.5067	29.4011
9.0235	9.0310	FRF	8.8568	8.8275	8.8072
31.7391	31.7652	CAD	31.0568	30.9538	30.8403
6.2773	6.2825	SEK	6.1707	6.1503	6.1372
31.3790	31.4048	AUD	30.1969	30.0968	29.9000
60.1617	60.2111	ECU	57.7896	57.5981	57.3532
6.2953	6.3005	HKD	6.2278	6.2071	6.1987
13.0363	13.0470	SAR	12.8446	12.8020	12.7899
Usance l	Export Bil	ls	CMC-12HPROME-CO-000		

48.2154 47.9179 47.5208 47.0641 46.5677 45.4558 Exchange rates of some Asian currencies against US dollar Indian Rupee Pak Rupee Mal Ringgit Thai Baht Sing Dollar Indo Rupiah 54.15/22 8650/8750 42.25/35 38.02/06 3.8000/02 1.6115/25 **US** dollar Libor Buying Selling 3month 6 month 12 month 1month 5.40859 | 5.34766 | 8.15813 | 4.93875 7.37297 725 Indicative forward cover selling rates against Taka

120 Days

180 Days

1 Month 2 Months 3 Months 4 Months 5 Months 6 Months USD/BDT 48.93 49.37 50.03 GBP/BDT 83.96 84.48 84.70 85.12 DEM/BDT 30.65 31.05 31.30 31.64 31.44 CHF/BDT 37.86 39.42 38.79 38.47 39.10

Market commentary

deali

Fore

Bangladesh taka has been adjusted downward by Tk 1.40 with effect from yesterday and Bangladesh Bank's revised USD buying and selling rates are Tk 48.35 and 48.65 respectively. The local market was paralyzed due to the opposition sponsored down-todusk hartal. IN the interbank market there were very few deals and the dollars traded between BDT 48.40 and 48.50. In the money market only the central bank cheques were declared by the clearing house.

following are the Janata Bank's			Selling			
ng rate (BD Tk for one unit of ign Currency) to public as		Name of Currency	T.T.& O.D.	B.C.		
98			US Dollar	48.7104	48.7488	
Buy	ying		GB Pound D.Mark	83.1575	83.2256 30.2410	
TT Clean	OD Sight Export Bills	OD Transfer	Fr. Franc JP Yen C.Dollar	9.0110 0.4269 31.6502	9.0184 0.4273 31.6761	
48.3500	48.1558	48.0376	S. Franc	37.0941	37.1244	
81.9173 29.7282	81.5592 29.5983	81.3588 29.5256			ying rates i	
8.8676 0.4174	8.8289 0.4155	8.8072	US DLR	Selling 49 1500	Buying 48.7000	
31.1380	31.0019	30.9257	GBP	83.1600	81.1600	
10.0016	.10,.1440	36.2348	5 Kiyai	12.8500	12.6000	
	TT Clean  48.3500 81.9173 29.7282 8.8676 0.4174	Tr Clean OD Sight Export Bills  48.3500 48.1558 81.9173 81.5592 29.7282 29.5983 8.8676 8.8289 0.4174 0.4155 31.1380 31.0019	Tr Clean OD Sight Export Bills  48.3500 48.1558 48.0376 81.9173 81.5592 81.3588 29.7282 29.5983 29.5256 8.8676 8.8289 8.8072 0.4174 0.4155 0.4145 31.1380 31.0019 30.9257	Name of Currency   Currency   Section	Name of   Currency   Currency   Currency   Currency	

## Shipping Intelligence

Banglar Mamata Repair

CHITTAGONG PORT

Berth Position and Performance of Vessels as on 18.10.98. Berth Name of Vessels Cargo L Port Local Date of Leaving Call Agent Arrival TSP Gres Litmond 12/10 20/10 Banglar Shobha Rice(P)/GI Kand Seacom 9/10 20/10 Swice Seacom 12/10 Lilac Island R Seed ASLL R/A 21/10 P Sayed Makron Seacom 7/10 Wheat (P) 21/10 Medan Express OLM 14/10 GI (Log) 23/10 SMSL 15/10 Ocean-1 Yang Malika Naree Litmond 7/9 21/10 R Seed 18/10 Dubai Merchant R Seed Rainbow 27/9 Pinar Katainoglu Wheat (P) Sing Pil (BD) 16/10 Kota Naga Cont Pil (BD) 12/10 Kota Berjaya Cont RSL 15/10 CCT/1 Manaslu Cont Sing EOSL 14/10 CCT/2 Bunga Mas-II Cont Baidhi 15/10 Makassar Express Cont B J Energy Cement/Idle USTC 23/8 USTC 11/10 Lestari Cement Tia Estela R Sulp Seacom 22/9 MSTPL 14/10 Hawailan Express Sko/MS Sing 21/10 Banglar Kallol Repair BSC R/A PSAL -DDJ/1 Tanary Star ASLL 29/8 Al Salamas Repair

22/10

BSC R/A

Vessels Due at Outer Anchorage					
Name of Vessels	Date of Arrival	L Port Local Call Agent	Cargo Loading Port		
Varva	20/10	- Total	Wheat (P)		
A A Venture	21/10	Sing CLA	Ballast -		
Kingdong	19/10	Kaki MSL	Rice (P) -		
Prosrich (Cont) 7/10	18/10	Sing QCSL	Cont Sing		
Marine Kingdom	20/10	Sing RML	Combi -		
Ocean Blue (Roro/24) 13/9		Col BBA	Vehi -		
Da Fa (Cont) 11/10	21/10	Sing RSL	Cont Sing		
San Mateo (Roro/24) Banglar Shikkha	19/10	Col JF	Vehi -		
(Cont) 11/10	20/10	Sing BSC	Cont Sing		
Betanvis	18/10	Sout LSC (P)	Wheat (G)		
Hibiscus (Cont) 11/10	22/10	Col QCSL	Cont Sing		
Diligence Cont (Con) 13/10	ODG 20.2 KUDYSTOCKUDGUR	Sing QCSL	Cont Sing		
Banga Biraj (Cont) 7/10	21/10	Sing BDShip	Cont Sing		
Sea Pioneer	20/10	- Oil	CI -		
Kota Cahaya (Cont) 12/10	20/10	Sing Pil (BD)	Cont Sing		
Albatross-II	20/10	- SMSL	Rice (G)		
Qc Teal (Cont) 7/10	22/10	Sing QCSL	Cont Sing		
Banga Birol (Cont) 11/10	21/10	Sing BDShip	Cont Sing		
Hunter	22/10	Pira JF	Scraping -		
Bunga Mas Enam	00.410	DOCT			
(Cont) 13/10	22/10	- EOSL	Cont Sing		
Almeria	22/10	- PSAL	Cement		
Abuja (Cont) 13/10	23/10	Col Baridhi	Cont Col		
Sea Trader	23/10	Ilyc Litmond	Mop In Bulk -		
Corali	23/10	- Prog	CI -		
Prudent Challenger	23/10	Kand OTBL	Rice (P)		
Qc Pintail (Cont) 13/10	24/10	Sing QCSL	Cont Sing		
Banglar Moni (Cont) 12/10		Sing BSC	Cont Sing		
Kota Singa (Cont) 16/10	26/10	Sing Pil (BD)	Cont Sing		
Sotec Excel	18/10	Sing ECSL	GI (Bitumen) -		

WI SEE ES	Tar	ker Due			
Falcon Nidia	18/10 18/10	- Sing	TSL MSTPL	CPO HSD	•
	Vessels	at Kutube	dia		
Name of Vessels	Cargo	Last Por Call	Local Agent		Date of Arrival
Seabulk Command Bunga Orkid Satu Silver Star Romina-G Banglar Jyoti	Wheat (G) Wheat (G) C Oil C Oil	Dunk Rast	IBS Lams Lams ASTA BSC		R/A (2/8) 17/10 R/A (17/10) 18/10 R/A
	Vessels at C	uter Ancl	norage	HONOLOGIAN SON V	Mario de los todos de comencias
ä	Re	ady On			

Jiang Chuan	CI	Sing	BDShip	15/10
Richmond (Cont)	Cont	Sing	QCSL	16/10
Xpress Resolve (Cont)		Sing	RSL	16/10
Jurong Balsam (Cont	) Cont	Sing	NOL	17/10
MARIA DE LA CARTA DEL CARTA DE LA CARTA DE LA CARTA DEL CARTA DE LA CARTA DEL CARTA DEL CARTA DE LA CARTA DE LA CARTA DEL CARTA DE LA CARTA DEL CARTA DE LA CARTA DE LA CARTA DE LA CARTA DEL CARTA DE LA CARTA DE LA CARTA DE LA CARTA DEL CARTA DEL CARTA DEL CARTA DELA CARTA DEL CARTA DEL CARTA DEL CARTA DEL CARTA DEL CARTA DEL CAR	Vessel	s Not Read	y	
Alpha Bravery	GTSP	Tampa	SSST	9/10
Hesoid	Ammonia	Ind	MBL	12/10
Anangel Eagel	Wheat (G)	Tilb	LSC (P)	13/10
Milienium Majestic	Wheat (P)	Bend	OTBL	16/10
Makmur Perkasa	Cement	Tans	USTC	17/10
	essels Awa	iting Instr	uction	
Karya Sentosa	Rice (G)	•	USTC	R/A (18/9)
Rong Jiang	Rice (G)	Kaki	OWSL	R/A (9/9)

574774116-08-75-75-75-75-75-75-75-75-75-75-75-75-75-	essels Awa	iting Ins	truction	
Karya Sentosa	Rice (G)	-	USTC	R/A (18/9)
Rong Jiang	Rice (G)	Kaki	OWSL	R/A (9/9)
Eka Lestari	Rice (G)	Para	MHCSL	R/A (26/9)
Shong Chong Gang	Rice (G)	Kaki	MHCSL	R/A (24/9)
Ritz	Rice (G)	Kaki	Cross	R/A (24/9)
Delta Star	New More and Aug		RSA	R/A (7/7)
Adhiguna Jaya-1	Rice (G)	10 <del>71</del> 8	USTC	R/A (5/10)
Tempest	報 選	2270	HSL	R/A (26/5)
Banglar Shourbah		**	BSC	R/A (11/10)
Banglar Asha	· ·	Mong	BSC	14/10
Sibel Deval		ere Salamana er	Seaglory	R/A (16/10)
	Vessels	not Enter	ring	
Izmail	12	Col	USTC	3/7

R/A (16/10) Global Jane Seaglory The above are shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

Wheat (G)

Wheat (G)

Tampa

AASS

OWSL

KSA

Ancient

R/A (7/10)

R/A(13/10)

Tug De Ping

Overseas Arctic

Good Will

Eastwood

Kallang

#### Pakistan dubbed a 'narco state' Pakistani politics, the 1970s use money from the narcotics BONN, Oct 18: As if the much the trade has risen, the saw the emergence of what came trade to back fundamentalist

plethora of negative publicity it has been getting in the European media is not enough, Pakistan has been labelled a "narco state" by an independent agency that monitors production and

People gather at the end of a busted pipe to collect water

Saturday in suburban Pasay City as large area in the city

goes waterless due to the ongoing repair being done by

the water agency. In spite of the threat of La Nina

phenomenon, potable water is still a big problem in the

trafficking of drugs worldwide. The Paris-based Geopolitical Drug Watch, popularly known by its local acronym OGD, released a report in Brussels describing Pakistan as a nation in which drug barons allegedly collaborate closely with politicians, senior government officials and military representa-

The agency claims to have closely monitored the narcotics scenario in Pakistan and supplemented its findings with reports of Western intelligence agencies.

The OGD focuses attention on the Pakistan-Afghanistan region which, it claims, has while in the 1950s and 1960s seen a rise in the drug trade. Though it does not say by how the military was a key force in

agency claims to have gathered evidence to document what it calls the critical geostrategic role played by narcotics in Pakistan's foreign and domestic affairs.

- AP/UNB photo

The agency even claims that narcotics often serve to aggravate regional and ethnic conflicts. Experts here say that the reference obviously is to Pakistan's domestic problems involving various tribes — many of which are engaged in the cultivation of crops that yield narcotics — and regional issues like Kashmir.

The media in a number of European countries, particularly Germany and France, has often alleged that the drug trade makes a substantial contribution to Pakistan's gross domestic product. The OGD report claims that

figures are deeply involved in the narcotics business, which has produced a huge flush of cash for them and therefore also triggered bitter rivalries. It claims drug money is also

it alleges.

used to support the nexus that is evolving between Pakistan's intelligence agencies and fundamental organisations that are mushrooming in the country. It charges that some agencies, particularly the Inter-Services Intelligence (ISI), continue to

organisations in the region. The OGD says the sanctions imposed by the US, after the nuclear tests in May dealt a se-

vere blow to Pakistan, particularly at a time when its economy was already bleeding. As a result, the agency warns, Pakistan may be inclined to get extra revenue from the drug trade. According to observers in Europe, the OGD report will fur-

ther impair Pakistan's image in this part of the world. The country's reputation has been severely battered deer the past few months by corruption scandals involving former Prime Minister Benazir Bhutto and her husband Asif Ali Zardari, similar allegations against current Prime Minister Nawaz Sharif and by criticism of the Islamisation bid by the Sharif government.

— India Abroad News Service