

US clears \$48.2b merger between BP, Amoco

WASHINGTON, Dec 31: US authorities said Wednesday they had cleared the \$48.2 billion dollar merger between British Petroleum and US-based Amoco on condition that the two companies divest gas stations and light petroleum products terminals, says AFP.

Under the proposed agreement, BP and Amoco would divest 134 gas stations in eight markets and nine light petroleum products terminals, the Federal Trade Commission said.

In addition, the companies would make it easier for independent retail dealers in 30 markets to switch their gas stations to other brands. More than 1,600 gas stations could potentially be affected, the FTC said.

Although the merger of BP and Amoco involves companies of enormous size, and there is a significant trend toward concentration in the petroleum industry, the operations of these two companies rarely overlap in a way that threatens competition," said FTC Chairman Robert Pitofsky.

"Where they do overlap, mainly in the wholesale and retail sale of gasoline in local markets in this country, the commission with the cooperation of the companies has achieved substantial divestitures and other relief that makes it likely that consumers will enjoy the benefits of competition," he added.

The European Commission gave its approval on December 11 to the merger, on condition that Amoco divests its polyisobutylene operations in Europe, as it has announced it would do.

The marriage of the companies will create the world's third biggest oil company after the Anglo-Dutch group Shell and Exxon of the United States, which has itself announced a merger with Mobil.

BP, Amoco, as the new entity would be known, would have a market capitalisation of 110 billion dollars and would be headquartered in London.

New Singer sales centre opens in Satkhira

Singer Bangladesh opens the newly-relocated Satkhira showroom-cum-sales centre on Tuesday.

Saiful Alam, Deputy Commissioner of Satkhira inaugurated the showroom, says a press release of the company issued yesterday.

The shop relocated at Abul Kashem Road at Polashpool in Satkhira, made its debut in the early nineties at Karim Super Market.

Ever since its opening, the shop has been frequented by a large number of consumers and is growing day by day.

Owing to the ever-increasing customer demand, this showroom was relocated at a spacious place and is tastefully decorated to ensure ultimate consumer satisfaction as well as render quick after-sales services.

It may be noted that Singer is committed to offer quality products through its exclusive chain of retail stores located throughout the country.

Marketing Manager of the company M A Siddiqui, senior executives of Marketing and Marketing Services Department and local elites were present to mark the occasion.

Singer products like sewing machine, refrigerator, color television, B/W television, microwave oven, fan and steam iron will be sold from this sales centre.

'99 a profitable yr for Aussie exporters

CANBERRA, Dec 31: Trade Minister Tim Fischer on Thursday predicted Australian exporters will meet the challenges of a continuing world economic slowdown in 1999 by finding new markets, reports AP.

"I remain confident Australian exporters will demonstrate once again their ability to diversify and explore new export opportunities not only within Asia but also beyond Asia to markets such as the US, Europe and Middle East," Fischer said.

During 1997/98 Australian exporters notched up an impressive 114 billion Australian dollars (US \$96.5 billion) worth of exports of goods and services, up more than 8 per cent on the previous year, he said.

In the first nine months of 1998, exports to the United States increased by 40 per cent, to India and Germany by 32 per cent and to the United Arab Emirates by 49 per cent.

"The federal government is playing its part in helping our exporters meet the challenges of international trade with a budget surplus, solid economic growth and sound economic management providing a stable platform for Australian exporters to take on the world," Fischer said.

"1999 will be an especially important year for trade facilitation as the world moves toward a new multilateral round of trade negotiations, with potentially huge gains for exporting nations like Australia," he said.

He said the new year would also present other challenges for Australian exporters, such as the introduction of the new single currency unit, the euro, for the European Union, which will replace 11 different currencies.

US aims at sustainable policy towards S Asia

By Aziz Haniffa

WASHINGTON, Dec 31: It is in the interest of the United States to form a "broad, balanced and integrated strategy towards South Asia," a study by a leading think tank here has said.

The report by the Centre for Strategic and International Studies (CSIS) on the foreign policy challenges confronting the US as it prepares to enter the next millennium said it was imperative that Washington's policy in the subcontinent be "sustainable over the long term as this region will be increasingly vital to American welfare and security."

It said, "South Asia's fate will increasingly influence the world with regard to economic growth, regional conflicts, environmental protection, the advancement of human rights, the rise of Islamic fundamentalism, narcotics trafficking and terrorism."

The report was the culmination of a two-year study chaired by Zbigniew Brzezinski, National Security Adviser in the administration of former President Jimmy Carter, and two of the foremost foreign policy experts in Congress — Rep Lee Hamilton, the ranking minority member in the House International Relations Committee, and Sen. Richard Lugar of the Senate Foreign Relations Committee.

After India's nuclear tests last May, Brzezinski, in several articles and interviews, said the US reaction of condemning New Delhi was hypocritical considering Washington's arsenal of nuclear weapons and its turning a blind eye to Israel's underground tests.

He said instead of picking on India, the US should be going after China because Beijing's proliferation and clandestine transfers to third countries had exacerbated the security threat perceptions of New Delhi.

The study, titled "Foreign Policy into the 21st Century: The US Leadership Challenge," said in its section on the subcontinent that an American strategy towards South Asia should be based on vital interests, important interests and beneficial interests.

In terms of vital interests, the study said Washington should "ensure continued US military, commercial and political access to, as well as transit through, the region."

It said the US has a "vital interest in preventing any one power or combination of powers from limiting US access to the region through exclusionary economic groupings or other means."

The study said it was imperative that the US contain nuclear and missile proliferation in the region since the capabilities of India and Pakistan and the tensions between them "make South Asia an area with great potential for nuclear exchange."

"Preventing the further proliferation of nuclear weapons and missiles in the region is a vital interest, particularly if one considers the proximity of South Asia to China, Iran and Central Asian countries," it said.

The report said "the immediate focus of the United States should be to head off the deployment of ballistic missiles capable of carrying nuclear warheads."

It acknowledged that it would be difficult to "compel India and Pakistan to sign the NPT (Nuclear Non-Proliferation Treaty)" and this suggested the developing of "mutual trust through measures such as cooperation in joint peacekeeping operations under the UN, dialogues on strategic issues and increased military contacts."

The study said Washington should urge New Delhi and Islamabad "to improve relations through dialogue on issues not related to Kashmir" and focus on jointly declaring a "no first use" of nuclear weapons, agreeing on a pull-back of troops from Siachen and working out programmes on joint narcotics control.

However, it recommended that the US should also seek ways to help "ripen" prospects for a "practical solution of the Kashmir situation."

With regard to important interests, the study emphasised closer economic integration with the region and noted that US businesses "stand to reap significant economic benefits from investment in South Asia."

It said India's middle class alone, which numbers more than 250 million, makes the region perhaps the biggest emerging market.

The study said since the American business community has taken the lead in investment in India, Washington's foreign policy towards New Delhi and the region will be of "paramount importance" in securing a "competitive advantage vis-a-vis European and Asian countries."

It said that the US has a "long-term interest in promoting transitions to market economies in South Asia." Accelerated economic growth in India, Pakistan and other South Asian countries and the further integration of these countries into the world economy, the study predicted, "should enhance regional and political stability."

Urging Washington to play a catalytic role in this process, the study said such an involvement should "include the formation of a regional trading block under SAARC (South Asian Association for Regional Cooperation) and ultimate integration of India and its regional partners into Asia through bilateral relationships with individual Asian countries."

The study said such a process should also include membership of South Asian countries in forums such as the Association of South-East Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC) and the Asia Free Trade Area (AFTA).

In terms of beneficial interests, the report said, the US should play a role in the socio-economic development of South Asia. Abdication of such a role, it warned, could exacerbate rapid population growth, urbanisation and industrialisation in South Asia which could result in global warming and environmental degradation.

The study said US assistance to South Asian countries to meet their development challenges "are essential in addressing population growth, poverty control, education and environmental concerns."

It lauded India and Sri Lanka, noting that democracy held strong in these countries despite ethnic, religious and sub-national conflicts.

The study called for bolstering of this phenomenon through "US-South Asian exchanges involving NGOs (non-governmental organisations), legislators and human rights organisations."

It declared that "South Asia under democratic rule will bolster political stability and economic and social development, thus paving the way for peace in the region."

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1998: An eventful year for Indian capital market

NEW DELHI, Dec 31: Political uncertainty remained the prime concern for the capital market throughout 1998 in India. The Observer of Business and Politics said here yesterday, reports Xinhua.

"Even though the market showed resilience, the fluid political and economic situation in India and around the world continued to throw up surprises, which is something market operators don't like," the paper said.

"Hopes of a bullish market were always followed by moments of despair throughout the year with the sensitive index of the Bombay Stock Exchange (BSE) touching a high of 4,000 and crashing to as low as 2,800," it said.

A bombshell was dropped, literally, in May when India exploded five nuclear devices at Pokhran. Anticipating US economic sanctions, the market fell sharply by 300 points, the paper said.

The nuclear tests also soured India's relations with Pakistan and market operators were sure of a sizeable hike in the country's defense budget," it further said.

"The June budget, however, disappointed market, unleashing a series of crashes which virtually drove the small investors out," it said.

"The larger growth of external debt during 1997/98 could be attributed to increases in foreign aid, lower amortisation and downward adjustment of Pak rupee against the US dollar," it said.

Total debt servicing stood at 278.0 billion rupees during 1997/98, up 7.5 per cent from 258.7 billion rupees, the report said.

The central bank said debt servicing has gradually emerged as a major constraint on balance of payment servicing and fiscal policy.

"For instance during the past three years debt servicing has constituted around 45 per cent of the total (government) expenditure and 61 per cent of the total revenues," it said.

The central bank proposed the retirement of the debt through proceeds from privatisation of state enterprises, sale of government properties and the offering of shares in public-sector enterprises to holders of the debt.

"Similarly dependence on foreign debt should be reduced by encouraging in flows of direct foreign investment and substituting short-term loans with medium-term debt instruments," it said.

Pakistan's debt totals 2.518 trln rupees

KARACHI, Pakistan, Dec 31: Pakistan's central bank said today the country's total debt had grown to 2,518 trillion rupees, or 91.2 per cent of gross domestic product (GDP), by the end of June 1998, reports Reuters.

"The gradual increase in this debt reflects the financing of both internal and external imbalances over the years," the bank said in its 1997/98 annual report.

"It also shows inadequate effort at domestic resource mobilisation and achievement of self-reliance."

The bank said of the total, domestic debt rose to 1,151 billion rupees by the end of 1997/98, up 10.5 per cent over last year, whereas foreign debt rose 21.3 per cent, in rupee terms, to 29.7 billion dollars in dollar terms foreign debt increased by six per cent.

The ratio of domestic debt was 41.7 per cent of GDP in 1997/98, down from 43.3 per cent in previous year, the report said.

But the ratio of foreign debt rose to 49.5 per cent in 1997/98 up from 46.9 per cent of GDP in previous year.

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Mutual jute declares 15pc dividend

Star Business Report Mutual Jute Spinners Limited has declared a 15 per cent cash dividend for the shareholders.

The dividend was announced at the 20th Annual General Meeting of the company held in the city recently with its Chairman and Managing Director, M A Kashem, presiding, says a press release.

The chairman gave a detailed resume of the present state of affairs of Jute Yarn Industries in Bangladesh and its future in view of serious economic recession that prevailed in Russia, CIS countries and Far East.

During the year under review, the company manufactured and successfully exported 5348 metric ton of jute yarn and twines and made a net profit of Tk 17,74,730. The Secretary of the company, M S Hossain, read out the Annual Report of 1998 on behalf of the Management.

The shareholders unanimously passed all the agenda of the Annual General Meeting. A number of shareholders attended the meeting.

HP launches Asian-designed hand-held PC

SINGAPORE, Dec 31: US technology giant Hewlett-Packard Co. (HP) launched yesterday the first Asian-designed and-built hand-held personal computer using Microsoft Corp's latest software operating system, reports AFP.

The HP Jornada 820 hand-held PC, based on the new Microsoft Windows (CE) operating system, was developed and manufactured in Singapore and intended to complement HP's series of palmtop personal computers, officials said.

It is the first of a new generation of hand-held PCs developed by the company.

"This is really one of the landmark, breakthrough products of mobile computing," declared Khaw Kheng Joo, General Manager of HP's Asia-Pacific Personal Computer Division, at a media briefing here.

"We expect its introduction to reinforce our lead position in the hand-held PC market," Khaw said.

Analysts said that demand for hand-held PCs in Asia was not as strong as in Europe and the United States.

The adoption rate in Asia is still slow. The current economic crisis will have to pass before there is a full scale adoption," said Daniel Sim, senior analyst with international computer research firm Dataquest.

Information technology budgets in Asia have been shaved because of the region's financial crisis since mid-1997.

Sim said the global hand-held personal computer market grew by a strong 65 per cent last year with 2.4 million unit shipments. He said 1998 projection figures had not been worked out yet.

Among the key advantages of the new device are its unprecedented 10 to 15 hours of continuous battery life and special dial-up software to make it ways for users to access E-mail and the Internet.

Smaller than a letter-sized sheet, the 2.5-pound (1.1-kilogram) machine has no disk drives but stores and retrieves files and data rapidly using a special kind of memory. The "mini-notebook" comes with a built-in 56-kilobit per second modem and costs 1,899 Singapore dollars (1,186 US).

The new hand-held PC is targeted at corporate executive frequently away from their desks and need access to E-mail and the Internet, officials said.

Khaw said that the product would leave the factory in Singapore within a week and would be on US retail shelves by the first week of November.

HP holds a lead in the windows CE market share, having had 43 per cent of the worldwide market in the palmtop PC category last year, Dataquest said.

Khaw said HP planned to localise the new product in China by 1999 in an attempt to further improve its market share in Asia.

Concord, Delta Brac Housing sign MOU

Concord Real Estate and Building Products Ltd has signed a memorandum of understanding (MOU) with Delta Brac Housing Finance Corporation Ltd (DBH) recently.

This will help the purchasers of flats to secure housing loan of up to 70 per cent of the purchase price subject to a maximum loan of Tk 20 lakh, says a press release.

DBH has been in operation for over a year and has already sanctioned over Tk 39 crore to a large number of borrowers.

DBH loans are available for purchase of flats, construction of house, extension and improvement of houses and purchase of house plots from approved agencies.

Concord, a pioneer builder, is also known for its contributions in the field of construction. Several high rise buildings in the city including Shilpa Bank Bhaban, National Monument, IDB Bhaban, Jiban Bima Tower, Janata Bank Bhaban, Indoor Stadium etc. bear testimony of Concord's quality and excellence.

Concord by taking up several apartment projects are contributing and participating in the national programme of providing housing facility to the maximum people.



Syed Mushtaq, Director of Bank of Small Industries and Commerce Bangladesh Limited (BASIC) and Member, Bangladesh Water Development Board, opens the 22nd branch of the bank at city's Babubazar Wednesday. Alauddin A Majid, Managing Director, and General Managers Muhammad Nurul Islam and Kazi Md Joydul Amran are also seen in the picture. —BASIC photo

Dacca Dyeing announces 10pc dividend

Star Business Report The Dhaka Dyeing and Manufacturing Co Ltd has announced a 10 per cent dividend for the shareholders for the year 1997-98.

The dividend was declared at the 20th annual general meeting of the company held at a city hotel on Tuesday, says a press release.

The meeting was presided over by the Chairman of the company, Salauddin Quader Chowdhury.

Earlier the dividend was declared as an interim dividend.

The chairman spoke about the future expansion programme of the company mentioning inclusion of broad looms, sizing machine and also direct warping machine which will ensure good performance from March 1999 onward to feed the demand of global market.

The shareholders unanimously approved the audited accounts for the year 1997-98 together with auditor and directors reports thereon.

New BASIC branch opens At Babubazar

Star Business Report Bank of Small Industries and Commerce Bangladesh Limited (BASIC) has opened a new branch at Babubazar in the city.

This brings the total number of branches of the bank to 22, says a press release.

The new branch was opened by Syed Mushtaq, Member of Administration, Bangladesh Water Development Board and Director of the Board of Directors of the bank on Wednesday.

Mushtaq, in his inaugural speech, said the newly opened branch will have the facilities for financing micro enterprises, small industries and all commercial activities including export and import trade.

He invited local businessmen and entrepreneurs to avail of the banking services extended by the branch and advised all officials and staff of the branch to maintain the standard of BASIC in providing banking services.

Alauddin A. Majid, Managing Director of the bank, highlighted the activities of the bank. He said BASIC fulfils prescribed national and international standard of banking and the experienced and efficient employees of the bank are always engaged in rendering prompt services to the customers.

A milad mahfil was arranged on the occasion. Industrialists, businessmen, traders, bankers, elite of the area and officials of BASIC attended the opening ceremony.

Asian Stock Roundup Most markets end yr on sour tune

HONG KONG, Dec 31: Most Asian stock markets on Thursday ended the year on a sour note, with share prices falling for a second consecutive session in Hong Kong, reports AP.

Bourses were closed for the New Year's holiday in Indonesia, Japan, the Philippines, South Korea and Thailand.

In Hong Kong, the Hang Seng Index fell 72.86 points, or 0.73 per cent to close at 10,048.58.

Turnover was thin as many investors were sidelined amid speculation that some fund managers might sell off US-dollar linked assets to put their money into the new European Union single currency — the euro — which begins trading on Monday.

It was a dismal year for Hong Kong as the territory's blue chips shed 6.3 per cent of their value despite a controversial government intervention that saved the market from even bigger losses.

The Hang Seng Index plunged from a high of 11,810.63 on March 25 to a low of 6,660.42 on Aug 13 — before the Hong Kong government launched an unprecedented US \$15.1 billion stock-buying spree to fend off market speculators.

The two-week intervention dismayed many proponents of free-market economies.

New Zealand share prices closed sharply lower, with brokers saying a hefty fall by Telecom Corp of New Zealand Ltd and weakness on wall street overnight weighed on the market.

The benchmark NZSE-40 Capital Index fell 40.26 points, or 1.9 per cent, to 2,064.97.

Shares in Taiwan closed down for the sixth straight session amid persistent fears about a weak economy and deteriorating corporate profits.

The Taipei market's key Weighted Stock Price Index fell 43.60 points, or 0.67 per cent, to 6,418.43.

Singapore shares ended 1998 with a whimper, barely changed in the last trading session of the year. The Straits Times Index slipped 1.97 points, or 0.14 per cent, to 1,392.73 in a holiday-shortened half session.

Malaysian share prices closed generally lower, but the key index was propped up by local funds toward the end of trading through aggressive buying of heavy-weight blue chips.

The Kuala Lumpur Stock Exchange's Composite Index rose 11.57 points, or 2 per cent, to 586.13.

The Australian stock market ended a shortened trading session broadly higher.

The Sydney's All Ordinaries Index rose 29.2 points, or 1.1 per cent, to 2,813.4. The close represents a 7.5 per cent rise for the year.



Saiful Alam, Deputy Commissioner, opens the new showroom-cum-sales centre of Singer in Satkhira on Wednesday.

Chinese import bars raise surplus, trade tensions

SHANGHAI, Dec 31: New financial controls imposed by China on its traders are cutting imports and threaten to worsen tensions with its major trading partners, reports AP.

Imports have fallen so sharply that even though exports barely grew in 1998 because of the Asian crisis, China's trade surplus rose 11 per cent to \$45 billion, according to official figures released Wednesday.

The new rules, imposed in July to protect Chinese foreign currency reserves, make it harder for companies to get import financing and licenses.

China's currency, the yuan, doesn't trade internationally, and companies are allowed to buy foreign currency only for approved imports. Dozens of people have been prosecuted in recent months for using fake import papers to obtain millions of dollars in foreign currency.

Chinese officials defend the new rules as a way to stop smuggling and illegal currency trading.