

Pak economy enters '99 with fall in growth rate

KARACHI, Jan 1: Pakistan's economy enters 1999 with a decline in the growth rate from the targeted six per cent to four per cent, the central bank's annual report said yesterday, reports AFP.

The country was plunged into a severe financial crunch after its nuclear tests in May provoked international sanctions, the State Bank of Pakistan (SBP) report said.

The confidence of investors was also eroded in the outgoing year, it added.

The external sector remained "under pressure" as exports dropped by 12.4 per cent and imports decreased by 20.1 per cent, it said.

Workers' remittances from abroad declined by 39 per cent and foreign investment dropped

considerably, it said.

However, the report voiced hope the economy will recover during the remaining six months of the fiscal year ending June 1999.

It cited recent lifting of the economic sanctions, improvement in foreign exchange reserves and inflow of funds from international financial institutions as reasons for optimism.

The report said the July-November figures syndicated a growth of around five per cent in agriculture and three per cent in industry during the second half of the fiscal year.

The inflation now at 7.8 per cent will remain within single digit, it said.

The SBP believes the economy will recover substantially from the adverse developments

since the nuclear blasts and the balance of payment will also improve.

It hoped the foreign exchange reserves which had plunged to around 400 million dollars last month will be between 1.4 and two billion dollars by end of June 1999.

However, the bank advised a "careful handling" of the economy while benefiting from an expected relief in repayments of external debts and cash assistance of around two billion dollars from the international financial institutions.

This should provide a breathing space for restructuring the economy, the report said.

Urging the government to refrain from short-term borrowing for funding the national

budget, the SBP report suggested further control of government spending and widening of the tax base by bringing the agriculture and services sectors in the direct tax nets.

The bank proposed reduction in budget deficit currently estimated at 5.4 per cent of the gross domestic product for achieving the "goal of self-reliance."

It said under the International Monetary Fund's programme, Pakistan was "on track" for meeting the performance criteria for fiscal 1998-99.

Pakistan's total external debt stood at 29.7 billion dollars by end of June, 1998, a rise of 1.9 billion dollars or 6.6 per cent over last year.

Libya closes down foreign airline offices

CAIRO, Jan 1: Libya ordered on Thursday all foreign airlines to close their offices in the country, Egypt's official news agency reported, says AP.

The government said the closure would last until the United States and Britain recognized the World Court's jurisdiction in settling a dispute over the indictment of two Libyans charged with blowing up a Pan Am airliner over Lockerbie, Scotland in 1988, the Middle East News Agency reported from the Libyan capital, Tripoli.

The Hague-based International Court of Justice, known as the World Court, and ruled in February that it has the authority to settle the dispute. The United States and Britain rejected any intervention by the court, but later offered to try the two suspects in The Netherlands before a panel of Scottish judges.

Airlines have been forbidden to fly to Libya since 1992 under UN sanctions designed to force Tripoli to hand over the two suspects in the bombing, which killed 270 people.

However, foreign airline offices in Tripoli sell tickets for travelers leaving Libya by road who plan to take flights from neighbouring countries.

Libya initially accepted in principle the US-British offer of a trial in The Netherlands, but has subsequently insisted that, if convicted, the suspects should serve their sentences in Libya. The Western plan is for the sentences to be served in Britain.

Annan tells UNSC Iraqi oil industry urgently needs spare parts

UNITED NATIONS, Jan 1: Secretary-General Kofi Annan told the Security Council on Thursday that Iraq needed spare parts for its oil industry immediately or it could not export enough oil to meet food and medical needs for its people, reports Reuters.

In a letter to the Council, Annan also noted that the drop in world oil prices had resulted in a shortfall of more than one billion dollar from the 3.1 billion dollar in oil sales the United Nations said was required to implement a basic humanitarian programme for Iraq over the past six months.

But he said that even with improvements in production, Iraq's oil fields were in a lamentable state.

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Chairman of Meghna Shrimp Culture Ltd speaks at the company's 5th annual general meeting held in Chittagong yesterday. —Meghna Shrimp photo

'Visit Nepal' programme proves a success

KATHMANDU, Jan 1: Nepali officials said here yesterday that encouraging achievements have been made in the Visit Nepal Year '98, the first of its kind in the country, reports Xinhua.

Addressing a function called "See you again-grand finale" held at the end of the tourism year, Minister for Tourism and Civil Aviation Bhim Bahadur Rawal said that throughout the year various programmes were organised across the country through the broad-based coordination of the Nepalese people, the government and the private sector.

"This national campaign has clearly established strong commitment on the part of the people to the cause of tourism development," he said.

Activities related to infrastructure development have been carried out in the period, he said.

"Despite this odd Nepal registered a positive growth in tourist arrivals in 1998," he said. "This achievement is clearly the contribution of Visit Nepal Year '98."

Meghna Shrimp declares 10 pc dividend

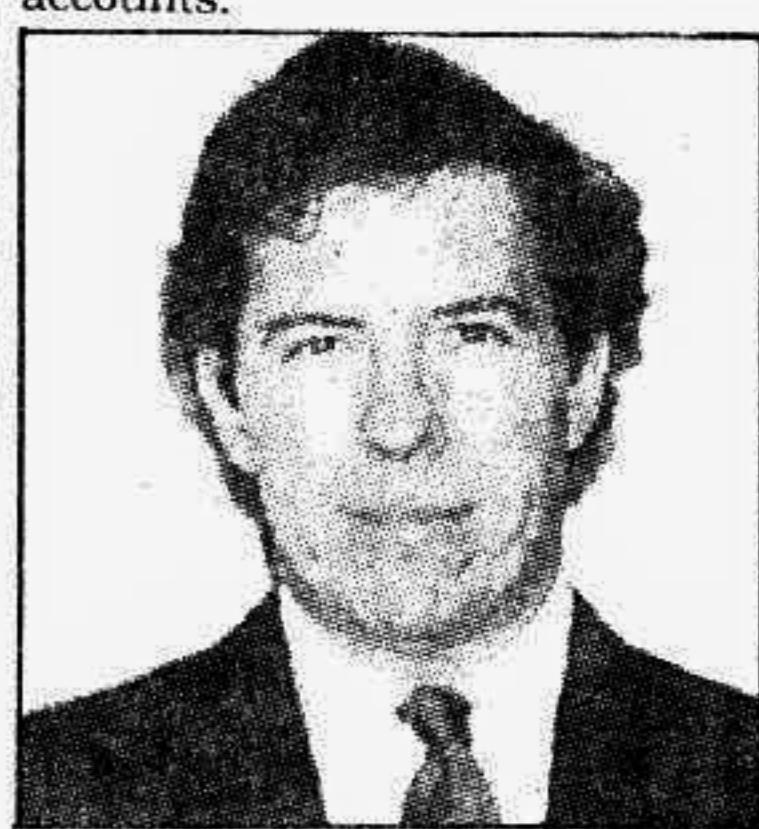
Meghna Shrimp Culture Limited declared a 10 per cent dividend at its 5th annual general meeting held in Chittagong yesterday.

Faruq Ahmed, chairman of the company has presided over the meeting.

The AGM was attended by the Directors — Engineer Md Shariful Islam, Razia Faruq and Md Moniruzzaman.

The shareholders appreciated progress made by the company and also put forward valuable suggestions for ensuring more profitability.

They unanimously adopted the directors report and audited accounts.



Pangaea chief due in city tomorrow

Entitled investment banker of the USA and Chairman of Pangaea Partners Eric G Postel will arrive here on Sunday on a three-day visit, reports APP.

During his stay here, Postel will exchange views with business leaders and senior officials on investment possibilities in Bangladesh, said a press release.

Indonesian economy shrinks 14 pc in '98

JAKARTA, Jan 1: Indonesia's economy shrank 13.68 per cent in 1998 as it reeled from the impact of the regional financial crisis, according to preliminary data released yesterday, reports AFP.

The Central Bureau of Statistics said initial figures showed that fourth quarter Gross Domestic Product (GDP) was down 0.27 per cent from the previous year to a hefty 77.63 per cent year-on-year, the bureau said.

It brought GDP in the 1998 down a preliminary 13.68 per cent from 1997, close to the 13.8 per cent contraction predicted by the International Monetary Fund as a result of Indonesia's battering by the regional economic crisis.

Indonesia has been worst hit by the crisis which began in mid-1997 and plunged several Asian economies into recession.

Consumer prices rose 1.42 per cent in December from the previous month, bringing inflation for 1998 to a hefty 77.63 per cent year-on-year, reports APP.

Food prices shot up 2.94 per cent from a month earlier, while the cost of processed food, beverages and cigarettes rose 1.41 per cent.

Clontech Labs sues Life Tech over patent

WILMINGTON, Del., Jan 1: Clontech Laboratories Inc has accused Life Technologies Inc of deceptive trade practices in a lawsuit filed Tuesday in the U.S. District Court in Delaware and made available to Reuters Thursday.

Clontech, a biotech company based in Palo Alto, California, does research on gene discovery tools. It alleged in court papers that Life Technologies "knowingly and wilfully misrepresented to its customers that LT's goods and services have characteristics which they do not possess."

Specifically, Clontech claims LT has used a "false patent marking" on two reverse transcriptase products to give the impression they comply with the claims of Clontech's patented title "Cloned genes encoding reverse transcriptase lacking RNase H activity," court papers say.

Schedule of tender/bill of quantities will be available at the office of the Chief Accounts Officer of Dhaka WASA, WASA Bhaban, 98, Kazi Nazrul Islam Avenue, Dhaka and all MODS Zone offices of Dhaka WASA. Other details will be available at the office of the undersigned.

Address:
Lalmatia Steel Tank Compound, Dhaka
WASA-P: -345/98
DFP-27200-28/12
G-05
Dhaka WASA.

Dhaka WASA Tender Notice

Tenders are invited from Dhaka WASA enlisted 1st, 2nd & 3rd class all group contractors/bonafide suppliers for supply of Barak Bamboo for annual swage maintenance of MODS Zone-3 at an allotted cost of Tk -33,600. Tenders will be received up to 12:00 Noon of 14/1/99 and will be opened on the same day at 2:00 PM in presence of the tenderers or their representatives (if any).

Schedule of tender/bill of quantities will be available at the office of the Chief Accounts Officer of Dhaka WASA, WASA Bhaban, 98, Kazi Nazrul Islam Avenue, Dhaka and all MODS Zone offices of Dhaka WASA. Other details will be available at the office of the undersigned.

Address:
Lalmatia Steel Tank Compound, Dhaka
WASA-P: -345/98
DFP-27200-28/12
G-05
Dhaka WASA.

Bangladesh Forest Industries Development Corporation Eastern Wood Works

185/A, Tejgaon Industrial Area, Dhaka-1208
Tender Notice for Supply of Winter Liveries

Sealed tenders in prescribed tender schedule are hereby invited from apparel manufacturing & supplying firms for supply of about 76 sets winter uniform for workers & employees of this establishment. Tender will be received through the tender box kept at the office of the undersigned up to 12.00 Noon of 07-1-99 and opened on the same day at 12.15 PM in presence (if any) of the attending tenderers.

Tender schedule will be available from the Cashier of this Project at Tk 100/- (one hundred) only (non-refundable) during office hours up to 06-1-99. No schedule will be sold on the date of opening tender. Current trade licence as apparel manufacturer/supplier, current income tax, clearance certificate, current bank solvency certificate and two & half per cent (2.50%) on total tender quoted price as earnest money in the form of Pay Order/Bank Draft in favour of "Assistant General Manager, BFIC, Eastern Wood Works, Tejgaon, Dhaka" should be submitted with the tender. The Bank Draft/Pay Order should be from scheduled bank.

The authority reserves the right to accept or reject any or all tenders without assigning any reason.

Address:
Shafi Uddin Ahmed
Unit Chief

New chairman of Nat'l Bank Star Business Report



M Nurul Islam has been unanimously elected chairman of the National Bank Limited.

The election was held at the bank's Board of Directors' meeting held on Monday, says a press release.

M Nurul Islam is one of the founder Directors of National Bank Limited.

He is one of the leading entrepreneurs in the country and involved himself in the business since 1960.

He is the Chairman of Islam Group of Companies, Chittagong.

He is also an active member of Chittagong Chamber of Commerce and Industries and was Vice President of the Chamber for more than one term in 1980.

Countries trading in euro

India

BOMBAY, Jan 1: Trading in the euro began in India Friday as ABN-AMRO Bank conducted two trades between \$1.1730-\$1.1740 per euro, a dealer at the bank said, reports AP.

An Indian government-owned bank bought 5 million euros and a corporate customer bought 100,000 euros from ABN-AMRO bank.

"It will be volatile when the Far East markets open on Monday," said Ravi Kumar, chief dealer at the bank. He said he could not reveal the names of the buyers.

India's largest bank, the State Bank of India, also began trading.

The European Commission set the rate for the euro at \$1.1675 Thursday.

There should be some variation when Europe starts trading. But the euro is showing a tendency to appreciate since the rate for the euro is up from yesterday," said G Padmanabhan, chief dealer at the State Bank of India.

All major markets except India's are closed on New Year's day. International trading begins Monday.

There is not much trading in Indian markets today since the international markets are closed. But volatility in the cur-

rency will depend on the confidence on the European economies," said a dealer, who asked not to be identified anonymously.

"The euro may strengthen if confidence builds. But if the next few months show that the 11 countries have not been able to fine tune their economies and don't exude confidence, the euro will fall," he said.

But Chou would not specify the amount converted, which the paper put at around 10 billion US dollars.

The commercial Times put the figures at some 20 billion US dollars.

The newspaper said a team of central bank officials led by Chou were on duty overnight to keep a close watch on developments in the euro.

"I stayed to witness the history," Chou told the paper.

According to the central bank, Taiwan's foreign reserves, one of the world's largest, totalled 88.07 billion US dollars at the end of November, the highest level this year.

The euro will be traded in local banks from January 5. Financial markets here are closed from January 1 to 4 for the new year holidays.

Dealers said the euro's role in Pakistan's foreign exchange dealing will then start trading in the new currency.

Hundreds of Taiwanese banks permitted to conduct foreign exchange dealing will then start trading in the new currency.