

**Bangkok cuts bonuses for workers**

BANGKOK, Jan 29: Already facing possible layoffs, Thailand's state workers may have their yearly bonuses slashed, a local paper reported Friday, says AP.

The Finance Ministry will propose a 30 per cent cut in the annual bonus of all state enterprise workers, the Bangkok Post quoted a ministry official as saying.

Reductions in year-end bonuses at several private companies have sparked riots by workers during the past few years. State enterprise workers have already staged protests in front of parliament over the government's plans to privatize their industries.

The ministry will also ask that annual bonuses be limited to no more than five times the monthly salary.

The purpose is to reduce the discrepancy in pay scales between the private sector and state enterprises.

Filipino growth plummets in '98

MANILA, Jan 29: Economic growth in the Philippines contracted sharply in 1998, with gross national product expanding a meager 0.1 per cent after rising 5.8 per cent in 1997, the government said Friday, reports AP.

Gross domestic product contracted 0.5 per cent in 1998 after growing 5.1 per cent in 1997.

The economic performance was considerably below economists' forecasts and the government's own targets.

For the fourth quarter, GNP contracted 1.2 per cent while GDP shrank 1.9 per cent.

GNP, a measure of a country's output of goods and services, includes the billions of dollars sent home each year by overseas Filipino workers, while GDP does not.

Socio-Economic Planning Secretary Felipe Medalla blamed the contraction in the economy in the fourth quarter to falling farm output caused by two typhoons in October and also on a weak construction sector.

Growth in the first half of 1998 was constricted by a severe drought attributed to the El Nino weather condition which resulted in a sharp fall in agricultural production.

For the whole of 1998, agricultural output fell 6.7 per cent, one of the worst performances on record.

Medalla said, however, he expects a strong rebound in agriculture this year if weather conditions are favourable.

Privacy groups vow to expand Intel boycott

WASHINGTON, Jan 29: Intel Corp. met here with privacy groups but failed to convince them to drop their boycott over new technology in its new Pentium III computer chips that helps identify consumers as they move across the Internet, says AP.

Instead, the groups promised to expand their boycott to include any computer makers that sell machines using the Pentium III, expected on the market within weeks.

"The distributors of a privacy toxin are as liable as the manufacturers of a privacy toxin," said Jason Catlett, president of Junkbusters Corp. of Green Brook, New Jersey, which helped organize the boycott with the Washington-based Electronic Privacy Information Center.

Spokesmen for Compaq Computer Corp. and Dell Computer Corp., among the nation's largest computer makers, couldn't be reached late Thursday.

Intel spokesman Chuck Mulloy rejected the groups' call for his company to recall Pentium III chips already sent to computer manufacturers.

"We have no comment on their demands other than to say we've briefed them," Mulloy said. The chips are "in the hands of the (computer makers), and systems are being built."

The groups also said they will consider asking the Federal Trade Commission to file a complaint against Intel, and they discussed that attorneys general in some states, including New York and Massachusetts, contacted them this week about the privacy issue.

Intel, the world's largest computer chip-maker, unveiled new technology last week in its newest Pentium chip that can transmit its unique serial number internally and to Web sites that request it to help verify users. The company said the technology will help online merchants eliminate fraud by verifying a consumer's identity.

Responding to privacy concerns, Intel promised Monday to offer free software to let consumers permanently turn off the feature. It also pledged to use the software to turn off the technology by default in future copies of the chips.

The privacy groups criticized those steps as inadequate, saying they want Intel to require computer makers to turn the tracing technology off by default. They also complained that tracer can be reactivated without warning.

India, Pakistan ready to finalise power deal

NEW DELHI Jan 29: Indian and Pakistani officials began talks here today on the proposed cross-border sale of electricity to India, says AFP.

Shahid Hassan, the senior-most Pakistani official at the water and power ministry, headed the visiting delegation. The Indian side was led by Special Secretary in the power ministry, Pradeep Baijal, an Indian official said.

The two sides were discussing details including tariffs for an initial supply of around 100 megawatts of power to the northern Indian cities of Amritsar and Ferozepur from the Pakistani city of Lahore.

"A memorandum of understanding has already been drawn up and technical parameters are likely to be finalised this time on transfer of power," Power Minister P. Kumara-

manglam told reporters after meeting briefly with the Pakistani delegation.

"This is a very important discussion between the two countries and is based on total economic considerations."

"I hope the talks will be fruitful and even after the tie-up we will continue to have a better understanding with Pakistan," Kumaramanglam said.

A proposal for Pakistan to supply power to the Indian state of Rajasthan was also on the agenda, along with related "technical, financial and legal issues."

The two sides discussed cross-border power sales last year and reached a broad agreement to transfer up to 500 megawatts of electricity in the short-run.

"We have come with an open mind to sell power to India,"

Hassan said.

The first round of talks in Islamabad was positive and that is why we are having the second round here," he said.

The Business Standard daily said India would try to bargain for "3-4 cents for a unit of electricity" and not accept the "high 7-8 cents being offered by Pakistan."

The daily quoted a power ministry source, said India did not want to extend guarantees to power producers in Pakistan and "want to limit the power tariff only to the variable costs."

India is facing an acute power shortage. It has a peak demand of around 68,000 megawatts and a generating capacity of 81,000 megawatts, some 60 per cent of that is lost through plant and transmission inefficiencies.

Court decision to quash freeze on forex accounts**Pak banks asked to sit back as govt prepares to appeal**

KARACHI, Jan 29: Pakistan's central bank has asked all commercial banks to sit back as the authorities prepare to appeal a court decision quashing a freeze on foreign currency accounts, bankers said yesterday, reports AFP.

Any application for a withdrawal of foreign currency has to be referred to the central State Bank of Pakistan (SBP), according to a directive issued late Wednesday, banks should not take any action on withdrawal requests, it said.

The advice came hours after a provincial High Court Wednesday quashed a freeze on forex accounts imposed by the government after carrying out nuclear tests last year.

The freeze was ordered to forestall capital flight after the tests, which provoked international sanctions.

An appeal would be lodged at the Supreme Court against the Lahore High Court verdict within a 60-day constitutional time limit, the SBP said.

"A firm decision has been taken on the basis of legal advice that this is a fit case for appeal," it said.

A three-member Judicial Bench declared the freeze on forex accounts worth 11 billion dollars as illegal.

The accounts were frozen, may 28 amid fears of a run on forex deposits following the nuclear tests, which led foreign-exchange inflows to dry up and pushed the country into a financial crisis.

The government later allowed account holders to convert their forex holdings at the rate of 46 rupees to the dollar, lower than the open market rate, and also floated foreign bonds which could be bought against frozen deposits.

An executive of a US bank operating in Pakistan said he had already received 35 to 40 calls from foreign currency account holders about the status of the freeze following the court verdict.

"I think most of them wanted to check whether ban was lifted or not. It wasn't clear whether they wanted to withdraw money from the accounts or not," he said.

A businessman said he contacted Habib Bank Ltd to seek a withdrawal but was told that the request would be sent to the central bank.

"I don't think the government can allow withdrawals from forex accounts easily. They don't have dollars and sterling to pay to account holders," he said.

An editorial in the national daily said the government would now find itself "caught in a cleft stick, since the defreeze theoretically allows depositors to ask for forex from the banks."

The government, which is not in a position to meet a run on forex accounts, has the option to file an appeal provided "solid grounds can be adduced."

"It will also have to burn the midnight oil to prevent they very outcome the freeze was intended to prevent ... but now in a climate of heightened suspicion of its motives on the part of forex account holders," the editorial said.

Sales of the national car called Proton at the country's manufacturers, including Perusahaan Otomobil Nasional Bhd, dropped 50 per cent, to 126,410 in 1998 from 255,061 the previous year.

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