

US oil giant to resume operation in Pakistan

KARACHI, Feb 24: US oil giant Union Texas said yesterday it would resume operations in Pakistan next year after suspending drilling in 1997 when four of its executives were shot dead here, reports AFP.

Union Texas Pakistan (UTP) President Arnold G Hoffman said the company was studying geological reports and after further study, "we will begin drilling activities in the year 2000."

The company has been allocated areas off the southern port city of Karachi along with rural areas in southern Sindh and Balochistan provinces for drilling.

"We are excited about it. The results of these studies will tell us which area to drill," Hoffman told AFP.

UTP suspended drilling operations and shifted its offices from Karachi to Islamabad after the executives from it SU headquarters were gunned down in violence-racked Karachi in November 1997.

UTP, employing 500 people including 300 field workers and engineers, has invested about 500 million dollars in exploration and development of oil and gas fields.

Hoffman said the chances of finding large gas reserves in some areas of Balochistan as well as central Punjab province were "bright."

The company has been operating in Pakistan for 22 years and has so far drilled 210 wells in six oil and gas fields.

Before the suspension of drilling it was producing 25,000 barrels of oil per day and 160 million cubic feet of gas.

**Don't use dollars for trade, warns Mahathir**

KUALA LUMPUR, Feb 24: The ill effects of currency speculation will fester as long as the world uses the US dollar for trade, Malaysian Prime Minister Mahathir Mohamad warned on Tuesday, reports AP.

"If we do not use the US dollar, its value will fall and it cannot be used to pressure others," Mahathir was quoted as saying by the national news agency Bernama.

But as long as dollar-denominated trade flourishes, Mahathir said, more individuals like US billionaire and hedge-fund operator George Soros are likely to emerge and wreak havoc with the global economy.

Their attack on the Malaysian currency has made us poorer," he told local reporters and a half-dozen editors from Egypt, Libya, Sudan, Jordan and Pakistan.

Mahathir has repeatedly snubbed Western prescriptions for mending the economy, calling them veiled attempts to re-colonise Malaysia and other Asian countries hobbled by the recent economic crisis.

Instead, he imposed rigorous capital controls in September in an effort to prevent the kind of investor flight that caused problems in other Asian nations. He has also called for an international body to police hedge funds and currency speculators.

On Tuesday, Mahathir said his stance did not endear his country to the Western media, which were out to scupper his efforts to revive the economy.

"Malaysia is indeed not popular with the West and its media deliberately badmouthed Malaysia," he said.

Mahathir urged the Middle Eastern editors to send their own correspondents in so they would not have to depend on "inaccurate" reports in the Western media.

**China in bid to turn wastelands into arable plots**

BEIJING, Feb 24: China is seeking to develop more arable plots from wastelands in face of overpopulated farming areas, according to Today's China daily, reports Xinhua.

"The most remarkable significance in land rehabilitation is that it can increase China's arable land by 13.33 million hectares, by making better use of existing land and rehabilitating wastelands," Gao Xiangang, Director of the National Land Rehabilitation Centre, said in an interview.

He added that the campaign will also better local residents' living standards and enhance ecology in rural areas.

China has only 0.106 hectares of arable land per capita, less than half of world's average.

Gao said the new State Land Administration Law, which took effect on January 1, adopts more effective measures to improve the balance between land developed for non-agricultural purposes and the rehabilitation of waste land.

He disclosed that a new series of regulations will be worked out and put into effect this year to strengthen the management of land resources in accordance with the national comprehensive planning on land use.

A group of land-rehabilitation projects and pilot zones will be established across the country this year, according to Gao.

**'Improve infrastructures to reap transit benefit'**

## Nepal willing to expand business with Bangladesh

KATHMANDU, Feb 24: The Nepalese government and the business community here expressed keen interest in expanding business with Bangladesh by maximising the use of Bangladesh transit, reports UNB.

They urged the Bangladeshi government to improve port and approach road infrastructures to reap the benefit of transit through Indian territory.

The Nepalese business community felt that the Bangladeshi government would also have to improve the facilities at Mongla port to enable Nepal to import more through this route.

Nepal's official annual import may rise up to one million tonnes through Calcutta port. If it decides to import one-fourth of its total imports through Mongla port, the facilities there need to be developed to that tune, business circle here said.

Nepal's Tourism Secretary Gipendra Dhakal said a Dhaka-Kathmandu direct bus service, if it is possible, can contribute a lot to the development of tourism between the two countries.

"Bangladesh is very new in tourism, but has bright prospects," Dhakal said. He also floated an idea of developing a joint Bangladesh-Nepal tourism zone, inclusive of the Himalayas and the Sundarbans.

Nepal's business tycoon Binod K Chaudhury saw huge prospects of exploring trade between Bangladesh and Nepal.

Asked if he sees India obstructing to making optimum use of the Bangladeshi transit, Adhikari said: "I don't like to

blame India. Rather, we — Nepal and Bangladesh — should see how we can make best use of opportunities available right now."

The transit, a long-felt dream that came true in 1997, gives a ray of hope and both the countries can benefit more from it.

The Nepalese Finance Minister proposed that Bangladesh and Nepal should have a transportation agreement facilitating movement of trucks and buses through the transit.

The two government should have a joint committee to work out ways to best harvest the opportunities," he said during a dinner hosted by the Federation of Nepalese Chambers of Commerce and Industry (FNCCI).

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The Nepalese Finance Minister proposed that Bangladesh and Nepal should have a transportation agreement facilitating movement of trucks and buses through the transit.

"We need to develop our infrastructures for our own benefit. We've many consumer goods to export to Nepal and we're able to compete quite comfortably with others," Mintoo said.

If the transit can be activated more, the Mongla Port would also benefit, he said. "We'll earn a lot in foreign exchange and there will be employment generation."

Besides, the landlocked Himalayan kingdom will see much more visitors from Bangladesh if the infrastructures for transit are improved, the FBCCI president said giving official data that show a growing number of tourists from Bangladesh to Nepal.

Managing Director of Sharif Melamines Ltd. Rajib Sharif, who also met with the Nepalese Finance Minister, said in Kathmandu that Nepal agreed to consider giving a "special tax and duty concession" for Bangladesh's table wares.

"This will help us earn a competitive edge and expand our business in Nepal," Sharif told UNB.

"They (Nepal) have got their

infrastructure quite well in their side. We'll have to develop our roads and port facilities," he said.

During the talks, the informed, the Nepalese Finance Minister also offered for a "Transport Agreement" between Nepal and Bangladesh paving the way for direct movement of trucks and buses.

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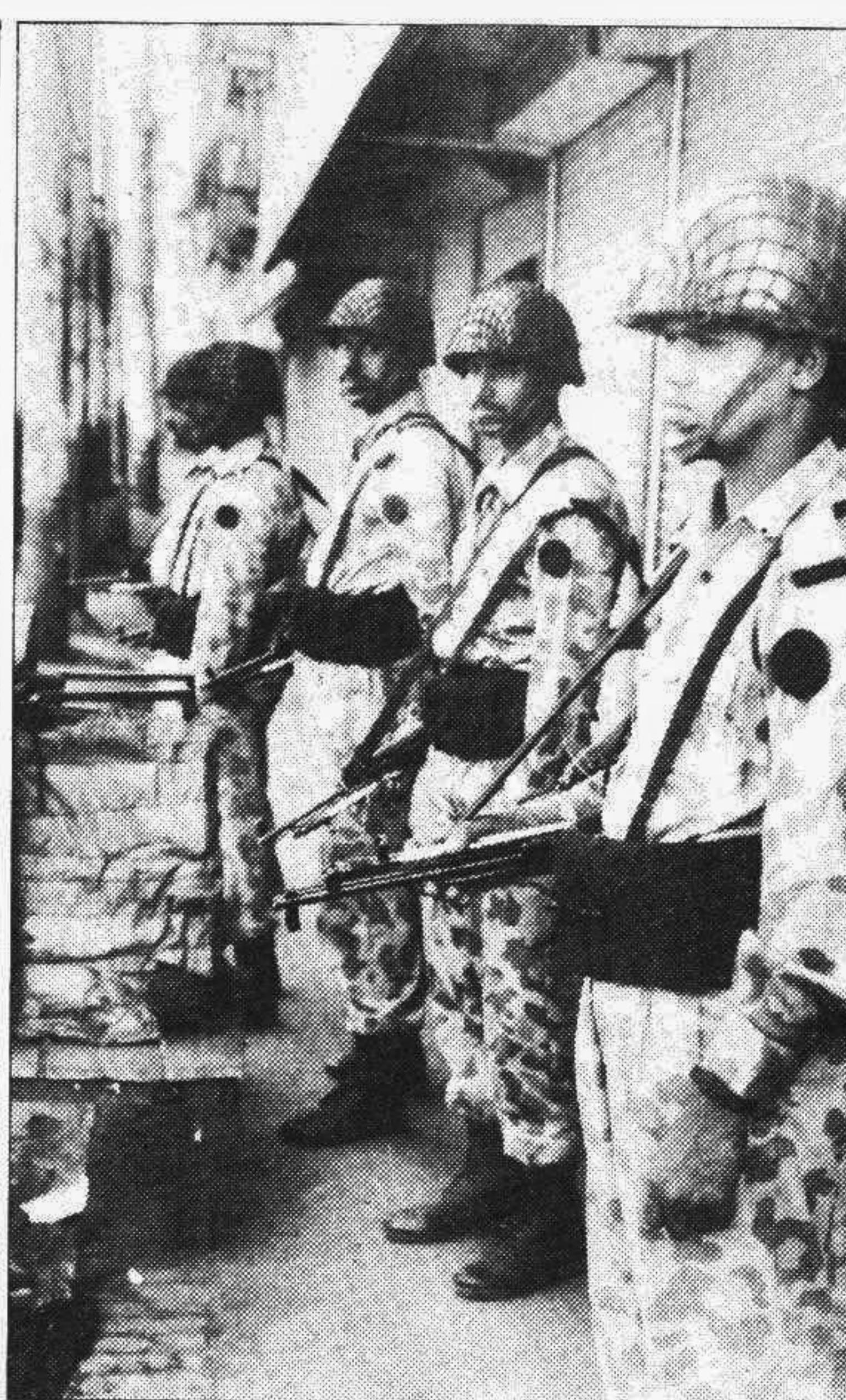
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GUARDING AGAINST ODDS: Most of the city's large and small markets remained closed on the second day of the opposition-called three-day hartal yesterday. This picture, taken from English Road, shows paramilitary personnel standing guard over a market.

— Star photo

North Korea to build 5-star hotel in Ctg

CHITTAGONG, Feb 24: North Korea will build a modern five-star hotel on the hill top of the Tigerpass area in the port city with an estimated cost of Tk 5.5 billion, reports BSS.

North Korean ambassador to Bangladesh Mirri Sang said this when he called on Chittagong city mayor Alhaj A B M Mohiuddin Chowdhury at the latter's office here yesterday, a City Corporation press release said.

They discussed various aspects of the proposed hotel when the project concept was placed at the meeting.

The Korean ambassador said all preparations have been undertaken and the construction work of the hotel will start immediately after the approval by the government.

North Korea will fund 90 per cent of the cost involved while the City Corporation will bear the rest, the press release said.

The hotel, to be built over some 50,000 square metres, will have all modern facilities, including an under tunnel eagle-typed shopping mall, the press release added.

**UK economy in perilous state**

LONDON, Feb 24: The perilous state of the British economy was revealed with striking clarity yesterday by official figures showing the worst trade deficit for six years and the slowest growth rate since the recession of the early 1990s, reports AFP.

Britain's global trade balance posted its widest deficit for six years in 1998, when the trade gap hit 7,183 billion pounds (10 billion euros, 11.78 billion dollars), official figures showed.

And the government's data bureau revised downwards its estimate of economic growth in the fourth quarter of 1998 to 1.3 per cent from an earlier forecast of 1.6 per cent.

Economists said that the worse than expected data provided clear evidence of the economic slowdown here. They said that interest rates might have to be lowered below the current 5.0 per cent to bolster the faltering economy.

At Morgan Stanley Dean Witter, Mark Miller said that the trade figures were likely to cause the most concern.

That is likely to concern the Bank of England going forward, and a weaker net trade position is likely to keep further rate reductions on the agenda," he said.

**Indonesian firm fires 1,000 agitating workers**

JAKARTA, Feb 24: More than 1,000 workers at an Indonesian household appliances company were laid off after staging a nine-day protest in the eastern city of Surabaya to demand pay rises, legal aid officers and press reports said today, according to AFP.

Some 500 sacked workers Tuesday went to a local legal aid office to complain about their dismissal, but police allowed only ten of them in and sent the rest home, the Kompas daily said.

Director of the Surabaya Legal Aid Institute Indro Sugianto told AFP there was a dispute between the workers and the electronics division manager, who, he said, had not allowed the workers to say their Muslim prayers.

That dispute had been settled by SPSI (labour union) and they could start work on Tuesday, Sugianto said.

But on Tuesday the workers saw a factory announcement demanding the applications if they wanted to go back to work, he added.

Kompas quoted Suharto, the head of public relations at appliance manufacturer PT Mapion, as saying the workers had been absent from their jobs for 22 days.

They violated a labour regulation by leaving work for more than five consecutive days, Suharto said, citing a ministerial labour decree.

**Taiwanese forex reserves rise to \$91.92b**

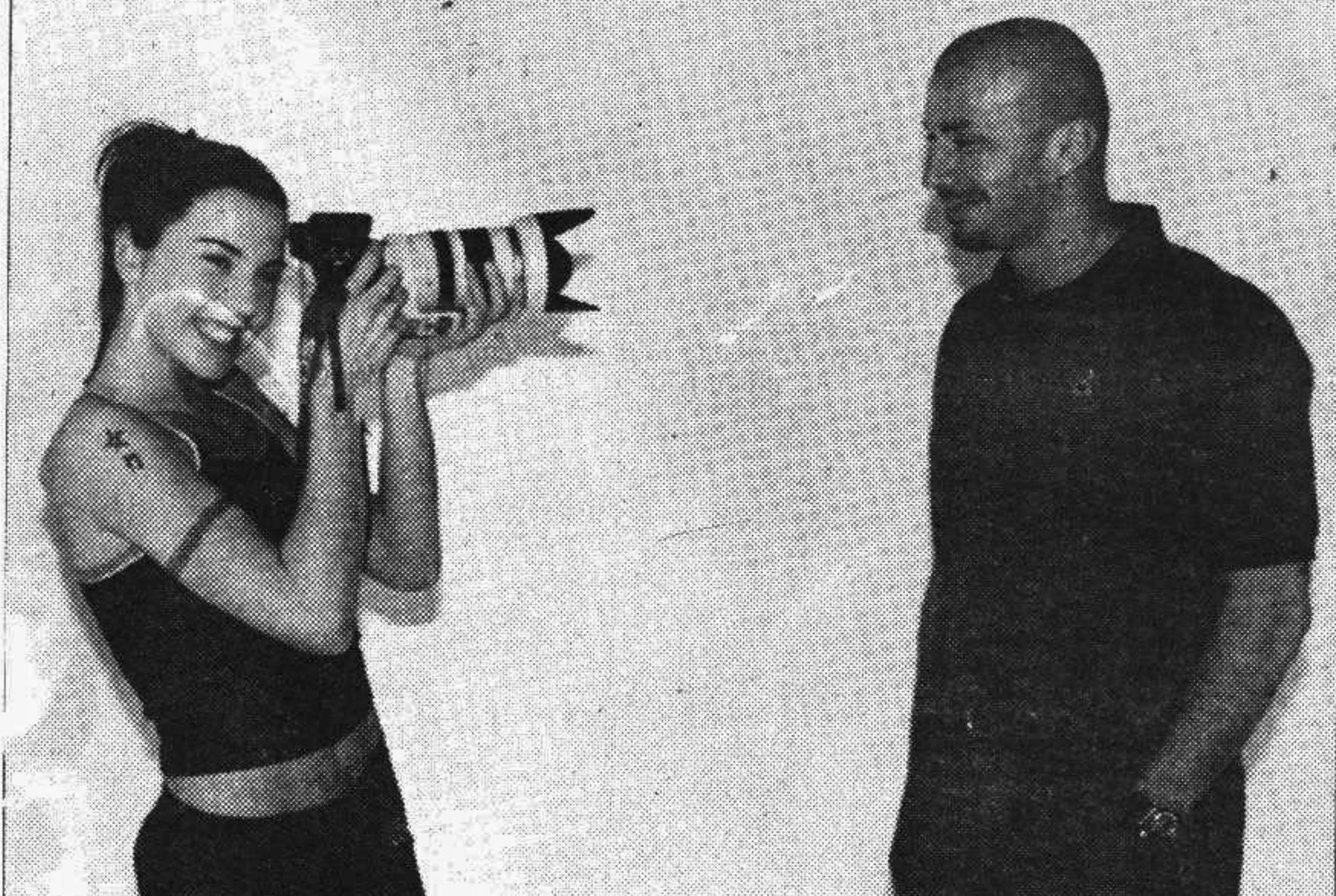
TAIPEI, Feb 24: Taiwan's foreign exchange reserves rose to 91.92 billion US dollars at the end of January, the highest level since September 1995, the central bank said today, reports AFP.

The reserves have been increasing since July 1998 and are the world's third largest after Japan's 240 billion dollars and China's 140 billion dollars, central bank official said.

The reserves rose 1.58 billion dollars in January from the previous month due to interest earnings, profits from overseas currency fluctuations, and the purchase of US dollars, they said.

The central bank bought the greenback when the local currency began to strengthen.

Taiwan's reserves had shrunk to 82.92 billion dollars in October 1997 after the central bank stepped in to prop up the Taiwan dollar against the strong greenback.



LONDON: Sporty Spice Mel C (L) poses with a camera during the photocall Tuesday with Chelsea player/manager Italian Gianluca Vialli, for the launch of a new European advertising campaign for Italian sportswear giant Kappa.

— AFP photo

## Crisis offers US cos expansion opportunities in Asia

Institute in Washington.

The crisis began in Thailand in 1997 and has spread to other Asian countries, pushing them into deep recessions and forcing banks and businesses to restructure.

With South Korea pressuring its big conglomerates to unload assets and improve their financial standing, Hewlett-Packard Co. last year bought Samsung Electronics Co.'s 45 per cent share in their local joint venture. Now, the computer maker is betting the worst is over.

"The indication is things are about to get better," said Greg Maset, vice president and director of studies at the Economic Strategy

deals. Goodyear Tire and Rubber Co. announced February 3 it was entering a global alliance with Japan's Sumitomo Rubber Industries Ltd. that would restore Goodyear's place as the world's largest tire maker.

General Motors Corp. credits the crisis for helping it increase its stakes of Japan's Suzuki Motor Corp. and Isuzu Motors Ltd. from 3.5 per cent to 10 per cent and 37.5 per cent to 49 per cent, respectively.

"American and European companies have descended upon Asia and picked up companies here and there at pretty good prices," said Sung Won Sohn, chief economist at Wells Fargo and Co.

In one of the most recent

surveys, subsidies and interest on past debt increases, the survey said.

The Economic Survey is presented each year before the budget — due Saturday — and wraps up the economic situation for the fiscal year.

On other issues, the survey said:

The government should use "vigorous market intervention" to prevent dramatic price increases. The proposal comes after last year's jump in inflation, which hit 8.84 per cent in September as a 52-week average. Driving this year's inflationary pressure was food prices. Onion prices rose five-fold, before receding again late in the year. The price hike dominated state election campaigns in November.

The government should move later to ensure insurance and pension funds are available for investment in infrastructure, where demand continues

to outpace supply. The survey said the government already has increased state spending on infrastructure, but would still need substantial support from the private sector to achieve the required growth.

**Export sluggishness cause for concern'**

Reuters adds: India said today that the third successive year of export sluggishness, in 1998/99 (April-March), was a cause for concern.

It said in its economic out-

look for 1998/99 that sustained

rapid growth in exports re-