

FDIs down to zero, says Benazir Pakistan facing worst economic crisis

LONDON, Apr 18: Opposition leader Benazir Bhutto has said Pakistan is currently facing one of the hardest and most pressing economic crisis in its history, reports PPI.

"Of most pressing concern has been the attack by Nawaz Sharif government on the Independent Power Producers (IPPs) in Pakistan. Since the present government took power it attacked the IPPs and froze foreign currency accounts. Direct foreign investment into Pakistan has fallen to zero," Benazir Bhutto, the former prime minister who was convicted by the Lahore High Court Ehtesab Bench Rawalpindi on Thursday said this while addressing the D-Group in London Friday evening.

Suggesting a path to recovery, she said it is critical for

Pakistan to again establish the trust and confidence of the international investor community. To achieve this confidence and trust, Pakistan must ease the economic constraints imposed upon it.

She stressed that in the new century, the concerns of the state will be driven more by considerations of trade and commerce, rather than by "our traditional military-territorial considerations."

"The success of a nation shall be based upon its level of exports, hard currency reserves, its per capita GNP and the creative genius of its citizens." Expressing hope in the future, she said, "we have in the past and in the future, with the right policies, the right direction and the right intention, turn our crisis into opportunity."

EU counting cost of Kosovo crisis

DRESDEN, Germany, Apr 18: European Union finance ministers counted the cost of both the war in Kosovo and an eventual peace settlement as the Balkan crisis overshadowed a two-day meeting that ended yesterday, reports Reuters.

With thousands of ethnic Albanian refugees pouring out of Kosovo every day, new German Finance Minister Hans Eichel, who chaired the talks, said now was not the time for penny-pinching.

"We paid for German unity — and now we will have to pay for peace in the Balkans," Eichel told a news conference.

Eichel has drawn a parallel between the cost of Balkans reconstruction and the aid plan devised by then US Secretary of State George Marshall that helped western Europe rise from the ashes of World War Two.

The ministers, spurred by a half-point cut in interest rates last week by the European Central Bank, also discussed a jobs pact they want to finalise at the June summit in Cologne aimed at putting the EU's 17 million unemployed back to work.

But they found it hard to escape the pull of the Kosovo war, with concerns growing that NATO's 24-day-old air campaign aimed at halting Yugoslavia's offensive against ethnic Albanians in the southern Serbian province of Kosovo could start to affect Europe's economy.

Ministers voiced concern that the conflict might undermine consumer confidence and take a heavy financial toll, burdening their budgets at the very moment that the ECB is demanding spending discipline

as a quid pro quo for lower borrowing costs.

"They are certainly serious, in particular for the countries on the front line which have enough difficulties already without this military conflict," Austrian Finance Minister Rudolf Eisinger said of the economic consequences of the conflict.

Italian Treasury Minister Carlo Azeglio Ciampi said that, with the war still raging, now was not the time to count the cost. But he acknowledged: "It adds a further element of uncertainty and worry."

Greece is the EU member at greatest economic risk, mainly through the depressing impact on trade and tourism, but Finance Minister Yannis Papandoniou still said his government would not change its forecast of 3.5 per cent growth this year.

ECB President Wim Duisenberg played down the economic impact of the Kosovo conflict, saying it had sparked increased volatility on financial markets but it was too early to discern any measurable impact on the EU's real economy.

World Bank President James Wolfensohn said international agencies would confer about possible aid for Balkan states inundated with Kosovo refugees on the fringes of the annual conference of the European Bank for Reconstruction and Development. The conference started in London on Saturday and ends on Tuesday.

Wolfensohn, who briefed ministers over lunch on efforts to avoid future global financial crises, said the World Bank was already examining the possibility of emergency loans.

BJP fall deals another blow to Indo-Lankan trade pact

COLOMBO, Apr 18: A tottering trade pact between India and Sri Lanka may have suffered another blow with the collapse of the New Delhi government of Atal Behari Vajpayee, trade officials here said yesterday, reports AFP.

The agreement signed between Vajpayee and Sri Lankan President Chandrika Kumaratunga in December was to go into effect from last month but India's last minute U-turn on tariff concessions has scuttled the deal.

"The agreement was more of an expression of political will on the part of the two governments to move ahead with trade," a senior trade official here said. "At best, the implementation of the deal can be further delayed."

Both sides had said they would open negotiations to hammer out a compromise after New Delhi withdrew promised tariff concessions to

Sri Lanka's main export commodities, tea and rubber.

Without Sri Lanka's tea — better known by the country's previous name Ceylon — having easier access to the vast Indian market, the trade agreement would be of little value to the smaller country.

On the other hand, even without a trade pact, the balance of trade is 13 to one in India's favour.

Sri Lankan officials said that India last month offered export quotas for Sri Lanka tea subject to a maximum of five million kilos not exceeding a cash value of 10 million dollars per year.

However, Sri Lanka had asked for a substantially higher quota.

Asian diplomats said that the pact, known as a free trade agreement, was originally intended to be a model for other South Asian countries but now

it appeared to have suffered a still birth.

Embarrassed Indian diplomats here have been putting a brave face on the situation and last month one told Indian journalists that talks could be held within a couple of weeks to sort out differences between the two sides.

Tea trade officials here said India had gone back on promises following intense pressure from three tea-growing states in India which feared competition from cheaper Sri Lankan tea.

Given the fragile political situation in New Delhi, which ever government that comes to power will be more likely to succumb to pressure from regional parties, a senior tea official here said.

However, there was no formal reaction from the Sri Lankan government to the latest political crisis in New Delhi.

India's top envoy here, Shivshankar Menon, has gone on record as saying that tea and rubber will not be included in India's "negative list", allowing the two commodities easier access to the vast Indian market.

Details of the free trade agreement have been shrouded in secrecy. Local industry and trade chambers first heard details of the deal not from Sri Lankan officials but from India's Menon.

The trade pact had envisaged India eliminating some of the import tariffs on Sri Lankan products within three years from March 1st while Sri Lanka would take eight years to reciprocate.

But Sri Lanka's import tariffs, which are already lower than those of India's, are to be brought down across the board by next year, making some of the concessions to India redundant.



DRESDEN (Germany): Left-right: German Federal Bank President Hans Tietmeyer, EU Commission President Jacques Santer, German Finance Minister Hans Eichel and Wim Duisenberg, head of the European Central Bank, pose for the media during an informal meeting of the EU finance ministers and bank governors in Dresden, Saturday. Kosovo was one of the dominant themes of the two-day meeting. The ministers refused to predict what impact the war in Kosovo would have on the European economy, but admitted it could be costly.

Indian seafood exports drop sharply

THIRUVANANTHAPURAM, Apr 18: Worldwide recession and problems in the Chinese market have been identified as the main reasons for the drastic fall in seafood exports from India.

The export of seafood has fallen short of the target of Rs. 5.6 billion by over Rs. 1 billion.

According to sources in the seafood industry, India exported 294,861 tonnes of seafood valued at Rs. 4.53 billion during 1998-99. The corresponding figures for the previous year were 385,818 tonnes and Rs. 4.69 billion.

The sources point out that the exports to most countries, except the European Union (EU), has come down.

The current year's exports to the EU have increased mainly because of the lifting of the Union's ban, which was in place last year.

Export to Southeast Asia and China was the most affected. It fell by as much as 41 per cent.

Similarly, exports to the Japanese and US markets have also fallen.

China, which imported seafood products from India worth almost Rs. 6 billion in 1997-98, was the biggest disappointment for exporters of the commodity in India. For 1998-99, the decline in exports to China was 55 per cent in quantity and 60 per cent in value.

Similarly, there was a negative growth in most of the important varieties of marine products like shrimp, fin fish, squid and cuttle fish. Fin fish exports fell by 40 per cent, while the sale of shrimp to foreign markets declined by seven per cent and that of squids and cuttle fish by 17 per cent.

K.C. Ninan of the Baby Marine Group, Kochi, one of the leading seafood exporters in the country, told India Abroad News Service: "Many of us have burnt our fingers after entering the Chinese market. Several letters of credit were dishonoured. A large sum of money is still outstanding from them."

The sources also said they face several problems on account of the devaluation of the yen. While exports to Japan in the first six months of 1998-99 fell by ten per cent, the price of shrimps dropped in the last quarter of the year.

The sources also point out that seafood exports were the lowest in March 1999, when actually it should have been the highest.

During the month, only 23,377 tonnes of seafood worth Rs. 2.84 billion was exported as against 44,122 tonnes worth Rs. 4.39 billion during the same period of the previous year.

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US, Europe to join Japan's supersonic jet engine project

TOKYO, Apr 18: Four American and European manufacturers will join a Japanese project to develop an engine for supersonic commercial aircraft by 2003, a business daily said today, reports AFP.

General Electric and United Technologies of the United States, Britain's Rolls Royce and SNECMA of France will provide technical co-operation for the project beginning this year, the Nihon Keizai Shimbun said.

The Japanese consortium of Ishikawajima-Harima Heavy Industries Co, Kawasaki Heavy Industries Ltd and Mitsubishi Heavy Industries Ltd disclose plans last year to develop an engine for Mach 2.2-2.4 supersonic planes, the report said.

The three Japanese companies are trying to develop a new engine for supersonic commercial aircraft with the noise level of an ordinary airplane.

They also plan to cut its emission of nitrogen oxide to one-seventh that an ordinary plane.

The Japanese government plans to provide a subsidy of 15 billion yen (125 million dollars), the business daily said.

The race to develop supersonic commercial aircraft is expected to heat up around 2005 when Concorde begins to be phased out, the report said.

Jammu and Kashmir to start work on mega power project

By Binoo Joshi

JAMMU, Apr 18: The Jammu and Kashmir government has for the first time taken up construction of a mega hydro-electric project, a move being described as a "big step forward towards self-reliance of the state" caught in an unprecedented financial crisis.

The Power Development Corporation of Jammu and Kashmir and Jai Prakash Industries signed an agreement in Srinagar for the 450 MW Baghliar project which will come up on the Himalayan river of Chenab near Ramban, about 140 km north of here.

The agreement was signed in the presence of Jammu and Kashmir Chief Minister Farooq Abdullah, who holds the power portfolio. Jammu and Kashmir hopes that start of work on the Baghliar project early next month will mark the beginning of the state's march towards financial self-reliance. The state also hopes to soon start work on three other major projects — the 600 MW Sawlakoteon on river Chenab, the 330 MW Kishenganga project near the Line of Control (LoC) in north-west Kashmir and the 120 MW Sewa project.

The government has signed a Memorandum of Understanding (MoU) with foreign consortia for those projects. But the non-availability of finances has been holding up work.

The state administration has been pressing the central government to provide sovereign counter-guarantees for the projects. But the federal Power Ministry has declined, saying that it cannot do so and instead wants the projects to be constructed by the National Hydro-electric Power Corporation (NHPC). But the Jammu and Kashmir government is unhappy with the NHPC's past performance in the state, official sources told IANS.

The government will advance \$40 million, 10 per cent of the total cost of the Baghliar project, to Jai Prakash Industries. The government has taken the money from the Jammu and Kashmir Bank Limited, which has emerged as one of the leading banks in the country, official sources said.

The project, when completed, will produce 450 MW of power and with the construction of another dam later, its capacity would double to 900 MW. The Baghliar project is expected to be completed in five years' time.

Jai Prakash Industries Limited, chairman of Jai Prakash Industries Limited, told India Abroad News Service:

"We have projects of 7,000 MW in our hand and so far we have completed all projects in time. Let me assure you that the project will be completed in time."

Abdullah said the Baghliar project would go a long way in "the development of the backward areas and also generate a lot of employment in these areas."

The project is being constructed in one of the most backward areas of Doda district. This is the first time that Jammu and Kashmir has taken up a mega project on its own. Earlier two major projects were constructed by the NHPC, an Indian government-run body. But the state was unhappy with its performance. NHPC had taken more than two decades to construct the 345 MW Salal hydro-electric project and nearly nine years for the 360 MW Uri project.

The Salal project has run into trouble due to siltation. "I hope that the (state) power development corporation has learnt from mistakes of the NHPC," Abdullah said, worried by the increasing silt problem in Salal which has affected the project's generation capacity.

— India Abroad News Service

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Exchange Rates

Following are yesterday's Standard Chartered Bank rates of major currencies against Taka:

Central Bank USD/BDT rate: Buying-BDT 48.35/Selling-BDT 48.65

Selling	TT/OD	BC	Currency	TT Clean	Buying OD Sight DOC	OD Transfer
48.7300	48.7700	USD	48.3200	48.1599	48.0758	
0.4246	0.4249	JPY	0.3999	0.3996	0.3979	
33.0082	33.0363	CHF	31.8565	31.7510	31.6329	
28.9887	29.0125	SGD	28.0604	27.9674	27.9166	
33.4110	33.4385	CAD	32.2241	32.1173	31.9972	
5.8817	5.8865	SEK	5.7972	5.7780	5.7659	
32.5175	32.5442	AUD	30.2870	30.1868	29.9997	
12.9436	12.9542	MYR	12.5991	12.5573	12.5256	
6.3060	6.3112	HKD	6.2200	6.1994	6.1882	
13.0643	13.0751	SAR	12.8153	12.7728	12.7404	
13.3415	13.3525	AED	13.0839	13.0405	13.0072	
0.0402	0.0403	KRW	0.0396	0.0394	0.0394	
79.6151	79.6804	GBP	78.9641	78.7090	78.4308	
53.1742	53.2178	EUR	50.7457	50.5775	50.4892	

Usage Export Bills

TT DOC	30 Days	60 Days	90 Days	120 Days	180 Days
48.2204	47.9228	47.5257	47.0690	46.5725	45.4605

Exchange Rates of Some Asian Currencies Against US Dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysian Ringgit	Indonesian Rupiah	Sing Dollar
42.36/42.46	50.18/50.26	37.42/37.52	3.7999/3.8001	8850/8925	1.7231/724

US Dollar	Buying	Selling	1 Month	3Months	6 Months	12 Months
Cash notes	48.15	48.75	USD	5.62875	5.28063	5.15813

T/C	48.1	48.7	GBP	6.5	6.34813	6	5.67531
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Market Commentary

On Sunday, activities in the interbank market were disrupted due to the strike called by the opposition parties. Only few deals were done and dollar traded in a range of BDT 48.65 and BDT 48.6525. The call money market was paralysed and call rate ranged between 6 to 7 per cent.

International markets were closed for the weekend.

At New York closing on Friday, USD traded at 117.83/117.88 JPY, GBP at 1.6130/35 USD and eurq at 1.0693/1.0698 USD.

Shipping Intelligence

CHITTAGONG PORT

Berth Position and Performance of Vessels as on 15.4.99.

Berth No	Name of Vessels	Cargo	L Port	Local Agent	Date of Leaving
J/1	Pathein	GI	Yang	MTA	4/4
J/3	Delight Glory	GI	Sing	Seaglor	30/3
J/4	Darya Ma	Wheat (P)	Cal	MSA	26/3
J/5	Pacific Bridge	GI	Sing	MSA	7/4
J/6	Seafalcon	Rice (P)	Kara	EOSL	23/3
J/7	Chettind Tradition	Wheat (G)	P Side	LSE	18/2
J/8	Fair Spirit	Mop	Col	Litmond	25/3
J/9	Unit	Wheat (G)	Darb	ANCL	3/3
J/11	Kota Naga	Cont	Sing	Pil (BD)	8/4
J/12	Pacific Career	Wheat (G)	Suez	ANCL	21/2
J/13	Banglar Robi	Cont	Sing	ISOC	12/4
CCT/1	Dragon Brani	Cont	Sing	NOL	11/4
CCT/3	Dragon Kalimantan	Cont	Sing	NOL	11/4
RM/14	Sibirisk	Cement	Pad	PSAL	15/3
RM/15	Boro Budur	Cement	Jaka	USTC	4/4
CCJ	Clover Trust	C Clink	Kara	RML	28/3
GSJ	Chios Charm	Wheat (G)	MombAncient	3/4	17/4
TSP	Ekalastari	C Clink	Jaka	PSAL	29/3
RM/6	Nos Aries	HSD	Sing	ECSS	11/4
DOJ	Banglar Shourabh	Repair	Kara	CLA	R/A
DD	AA Venture	Repair	Kara	CLA	11/3
DDJ/1	Tanary Star	Ballast	Para	PSAL	-
RM/8	Youngling	Cement	Pad	-	7/3
CUFLJ	Mary Nour	Cement	Lank	BSC	7/4
Kafco/U	Zee Brougge	Ammonia	Para	MBL	13/4

Vessels Due at outer Anchorage

Name of Vessels	Date of Arrival	L Port	Local Agent	Cargo	Loading Port
Baharatendu (48)	14/3	15/4	Mad	SSLL	GI (St.Coll)
Al Quamar	16/4	16/4	Viza	BLS	Rice
Martina	16/4	16/4	Indo	HSL	Cement
Bunga Maslapan (Cont)	7/4	15/4	P Kel	EOSL	Cont
Andhika Permatia	16/4	16/4	RMML	GI (St.Coll)	-
Tug Swissco0181	15/4	15/4	Sing	MBL	-
Jaya Mars (Cont)	4/4	16/4	-	Baridhi	Cont
GC Mard (Cont)	7/4	18/4	Sing	QCSL	Cont
Megha (Cont)	28/3	16/4	Sing	BDSHIP	Cont
Teresa Prestige (48)	11/4	17/4	Sing	Everett	GI
Tia Estela	19/4	19/4	Kand	BDSHIP	Rice (G)
Xiang Jiang	17/4	17/4	Sing	Pil (BD)	Cont
Kota Berjaya 6/4	17/4	17/4	Sing	Pil (BD)	Cont
Buxmoon	20/4	20/4	Sing	QCSL	Cont
Ingeniuty 12/4	20/4	20/4	Sing	Baridhi	Cont
Eiko Maru	18/4	18/4	Cross	In Ballast	-
Sin Hal	19/4	19/4	Sing	RSL	Cont
Kota Sing 12/4	19/4	19/4	Sing	Pil (BD)	Cont
Kyvernitis	19/4	19/4	Ancient	Wheat (G)	Cont
Ultima (Cont)	8/4	19/4	-	QCSL	Cont
Nadel Haden	19/4	20/4	Sing	Bdship	Cont
Banga Birol	20/4	20/4	Sing	BDSHIP	Cont
Qc Pintail	20/4	20/4	Sing	QCSL	Cont
Feng Tao	20/4	20/4	-	Seaglor	Sugar (G)
Sea Majesty	20/4	20/4	Prog	GI	-
Green Aekoro/24/14/4	18/4	18/4	Hapi	JF	Vehi
Albatross-III	20/4	20/4	Pada	SMSL	Cement
Bunga Mas Lima	21/4	21/4	Sing	EOSL	Cont

Tanker Due

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