

Filipino GDP posts strong growth

MANILA, Aug 28: Philippine gross domestic product grew a strong 3.6 per cent during the year to the second quarter of 1999, far exceeding analysts' expectations, reports Reuters.

Socio-economic Planning Secretary Felipe Medalla told reporters on Friday the rosy figures were underpinned by the 11.1 per cent rise in second quarter agricultural output over a year earlier.

Output in the services sector rose by 4.0 per cent although industrial output contracted by 0.7 per cent.

"The recovery is firmly set except for construction and construction-related activities," Medalla said. "There is a need to jump-start private construction by reviving the housing sector."

Within the industry sector, manufacturing grew an annual 0.9 per cent, registering the first growth in five quarters. Medalla said. However, construction contracted 5.3 per cent from a year earlier, following a contraction of 6.0 per cent in the first quarter.

The second quarter GDP figures were better than the 2.75 per cent growth consensus in a Reuters poll earlier in the week and Medalla's own forecast of 3.00 per cent growth.

Philippine GDP grew an annual 1.2 per cent between the first quarters of 1999 and 1998, and contracted 1.0 per cent during the year to the second quarter of 1998.

The second quarter figure for 1999 firmly establishes the country's move away from recession, analysts said.

"It's just primarily driven by agriculture because of the fantastic bumper crop in rice and corn... I think the third and fourth quarter agricultural (output) would probably stabilise... at 3.0 to 4.0 per cent (growth) in the third quarter and 4.0 to 5.0 per cent in the fourth quarter," said Omar Cruz, president of Citicorp Securities International (Philippines) Ltd.

"It's good news, except that it was fired largely by agriculture and you still have a contraction in industry," said Emma Pante, an economist at Far East Bank in Manila.

"The dependence on agriculture is a bit shaky because it depends on the vagaries of the weather."

Medalla said he was currently maintaining full-year GDP growth forecasts of 2.6 to 3.2 per cent but he was confident the economy would definitely meet, if not exceed, targets.

Gazipur PWD Division

Tender Notice

1.	Tender No	12/1999-2000.
2.	Name of work	Construction of Shahid Begum Fazilatunnesa Mujib Women Training Academy at Zirani in the Dist. of Gazipur (S.H. : Sanitary and water supply arrangement of Training-cum-Hostel Building) during the year-1999-2000.
3.	Estimated cost	Tk 9,90,349/-.
4.	Earliest money	Tk 19,807/-.
5.	Time allowed for completion of the work:	90 (ninety) days from the date of issue of work order.
6.	Price of tender schedule	Tk 425/- (Tk four hundred twenty-five) only.
7.	Place of selling and receiving tender schedule	Office of the undersigned including all Executive Engineers, office under Savar PWD Circle, Dhaka.
8.	Last date of selling tenders	During office hours up to 8/9/99.
9.	Date of receiving and opening of tenders	Up to 12:00 Noon of 9/9/99 and will be opened on the same day at 12-15 PM.
10.	Eligibility of contractors/firms to compete in the tenders.	Category applicable as per financial limit of authorised enlisted contractors/ firms of Public Works Deptt.
11.	To compete in the tender, pre-conditions, terms and conditions with special terms and conditions along with relevant information are laid in the tender schedule which may be seen accordingly.	
12.	The undersigned reserves the right to reject or accept any or all of the tenders without assigning any reason.	

Md Rafiqul Islam
Executive Engineer
Gazipur PWD Division, Gazipur
Phone: 2468.

Liberalisation key answer to Balkan corruption: UN

UNITED NATIONS, Aug 28: Privatisation and other forms of liberal economy are the answer to widespread fraud and massive corruption in the Balkans, UN special envoy Carl Bildt said yesterday, reports AFP.

He was commenting on an article in the New York Times on August 17, which said that one billion dollars of public funds in Bosnia had been stolen or lost through corruption or mismanagement.

About 20 million dollars of that was foreign aid money, the Times said.

The article raised a storm in Bosnia, where press reports said the Muslim member of the country's collective presidency Alija Izetbegovic, intended to press charges against the newspaper.

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"The dependence on agriculture is a bit shaky because it depends on the vagaries of the weather."

Medalla said he was currently maintaining full-year GDP growth forecasts of 2.6 to 3.2 per cent but he was confident the economy would definitely meet, if not exceed, targets.

Some of them are tied to dif-

ferent political interests," he told reporters at the UN headquarters here.

That means there is inefficiency, there is diversion of money. There is a loss of tax revenues, there is a loss of tariff revenues."

He said it would be "very difficult to quantify" the loss.

Bosnia was one of six republics in the federation of Yugoslavia, which fell apart in 1991. Serbia, the dominant partner in what remains of the federation, is one of the few countries in eastern Europe that has not turned its back on socialism.

But the lack of political and economic reform still plagued all former Yugoslav republics, Bildt said.

"The Serbian economy suffered from a combination of the mafia and the nomenklatura."

The local mafia was "very much driven by sanctions which force people to try to survive by smuggling."

All former Yugoslav states needed "a profound liberalisation of their economies," he said.

That meant "privatisation, property rights, and opening up to the European Union and the rest of the world."



Md Abu Taher Chowdhury, Chairman of Central Insurance Company Ltd, hands over a cheque for Tk 8,94,856.00 to Md. Setaur Rahman, Vice President of the Local Office of the Islami Bank Bangladesh Ltd., Dhaka, in settlement of their insurance claim against a fire policy recently. Senior executives including the Managing Director of the Company were present. — Central Insurance photo

Metal: Weekly Roundup

Gold loses over 4 dollars

LONDON, Aug 28: Gold prices found little reason to pull out of their four-month depression, particularly after the US Federal Reserve hiked interest rates by a quarter-point, reports AFP.

The yellow metal lost more than four dollars over the week to end at 254 dollars an ounce on the London Bullion Market.

Prices flirted with new 20-year lows on Wednesday, dipping below 253 dollars an ounce, after the Fed's rate increase, which restored investor interest in dollar-denominated securities.

Gold prices have been un-

determined over the summer by fears of a glut of official sales that would flood the market with excess supply. Prices have largely ignored record levels of global demand reported by the World Gold Council.

Analysts thus believe that investors selling gold at current levels are playing a dangerous game. "The gold bears are dancing on the edge of a volcano," said Paribas analyst Michael Coulson.

Silver: Declining. Silver followed gold prices lower this week in a market dominated by technical factors, dealers said.

Cash prices on the London

Bullion Market fell by 13 cents to 5.07 dollars on ounce.

Platinum and Palladium: Lower. The two sister metals also headed south this week, responding to fluctuations in the foreign exchange markets.

Palladium prices on the London Palladium and Platinum Market lost two dollars to 346 dollars an ounce, while platinum prices fell by 3.5 dollars to 348.5 dollars an ounce.

Platinum and palladium had risen last week, tracking the yen higher due to the fact that Japan is a major importer of the metals, particularly palladium.

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