

Some steps send negative signals to market

# Pak military govt approves economic reforms agenda

ISLAMABAD, Dec 12: Pakistan's military government Saturday approved an economic reform programme which will focus on self-reliance, eradication of poverty and good governance, reports AFP.

The plan has been prepared by an economic advisory board set up by General Pervez Musharraf who ousted premier Nawaz Sharif in a military coup on October 12.

Finance Minister Shaukat Aziz said the programme had been devised by some 200 professionals, eminent businessmen, industrialists, social workers and experienced civil servants after lengthy deliberations.

Musharraf is to unveil details of the much-awaited programme on Wednesday, officials said.

The cabinet meeting was also attended by provincial governors and members of the National Security Council which led by Musharraf, includes chiefs of navy and air forces and experts on finance, national and foreign affairs.

General Musharraf also directed governors of the country's four provinces to initiate measures to ensure cleanliness, smooth traffic in the big cities and facilitate easy payment of utility bills, officials said.

He asked them to personally supervise the desilting of irriga-

tion canals which would be carried out by army troops along with the civilian machinery, Aziz said.

The general also asked government officials to avoid hosting lavish parties during the Muslim holy month of Ramadan as part of his austerity plan.

Meanwhile, a report from Karachi says: Pakistan's two-month-old military government gained some credibility by launching a tough crackdown against corruption and bank loan defaulters, but some of its steps also sent negative signals to the market, according to analysts.

"At least five recent developments are creating doubts about the effectiveness of the new military regime," analyst Arshad Arif said.

Listing the steps, Arif, associated with ABN-AMRO, said the army-led National Accountability Bureau (NAB) delayed settlement of repayment by big defaulters. It also by-passed the central bank in requesting information from the financial institutions.

A lack of support to falling cotton prices in the country, "unrealistic statements" from the finance ministry on privatisation and the withdrawal of the 15 per cent general sales tax (GST) on electricity were all sending negative signals to the market, he said.

The Karachi Stock Exchange has already started discounting the positive changes expected from the new government, because "the present run-up must be a mere liquidity bubble," he observed. Analysts were of the view that after the much publicised November 16 deadline for settlement of bank loans, the military government had yet to come up with any further progress on its recovery campaign.

No big defaulter is reported to have paid his arrears. Total recovery is still eight billion rupees, out of 211 billion rupees (4.1 billion dollars), Arif said, adding the campaign seems to be "losing its steam."

Most of the money was borrowed from banks with little or no collateral.

PARIS, Dec 12: European car makers have little to fear when the import quotas on Japanese cars are lifted on January 1, 2000, according to analysts here, reports AFP.

The situation on the world's car markets is very different from when the quotas were negotiated in 1991 and when they came to effect in 1993, argued one analyst at Eiffa.

"There's always a risk with the lifting of quotas, but they're no longer the scarecrow they once were," the analyst said.

Given the clear advantages Japanese car makers had in terms of price, quotas, which do not affect Japanese cars made in Europe, were intended to facilitate a period of transition for European manufacturers before the European markets were opened fully.

And so quotas were imposed in France, Italy, Spain, Britain and Portugal.

Their long negotiation led to fierce reactions in both political and industrial circles. The president of French car maker PSA Peugeot Citroen, Jacques Calvet, was uncertain whether the European industry would, within the time-scale set out, be able to catch up with the Japanese in terms of efficiency.

But following the collapse of the European market in 1993 and the build-up of overcapacity in production, the European car makers have slashed costs and cut jobs in order to boost their competitiveness.

EU import quotas on Japan's cars go Jan 1

and the build-up of overcapacity in production, the European car makers have slashed costs and cut jobs in order to boost their competitiveness.

Japanese production slid into crisis, allowing Renault to buy a 36.8 per cent stake in Nissan, the second-biggest car maker in Japan, a move which would have been unthinkable 10 years ago.

Under the agreed quotas, the share of Japanese makers of cars and light trucks in the EU was not to exceed 16 per cent this year. In fact, it barely stands at 11.7 per cent at present, little more than in 1991.

The best-selling Japanese marques in Europe are Toyota and Nissan, followed by Mazda, Honda and Mitsubishi.

Similarly, Japanese car makers should have market penetration of no more than 10 per cent in France. In fact, they currently have a market share of around five per cent there, much less than in Spain and Germany, where they command 10 per cent. Britain, Belgium and Sweden, where they have 15 per cent, and Denmark and Ireland, where they account for around 30 per cent of the market, according to figures published by the European car makers association.

## Exchange Rates

Following is Sunday's forex trading statement by Standard Chartered Bank, Dhaka. Central Bank USD/BDT Rate: Buying-BDT 49.35/Selling-BDT 49.65

Selling		Currency		Buying		
TT/OD	BC	TT Clean	OD	OD Sight	OD Transfer	
51.2300	51.2700	USD	50.8200	50.6516	50.5631	
0.5165	0.5169	JPY	0.4829	0.4813	0.4805	
32.7181	32.7436	CHF	31.8262	31.7207	31.6059	
31.3180	31.3425	SGD	29.6016	29.5035	29.4620	
35.6631	35.6909	CAD	33.4893	33.3783	33.2543	
6.0782	6.0829	SEK	5.9658	5.9461	5.9336	
33.5813	33.6975	AUD	30.7461	30.6442	30.4390	
13.6268	13.6375	MYR	13.2327	13.1888	13.1555	
6.6412	6.6464	HKD	6.4863	6.4648	6.4510	
13.7767	13.7874	SAR	13.4466	13.4020	13.3680	
14.0634	14.0743	AED	13.7210	13.6756	13.6406	
0.0456	0.0456	KRW	0.0448	0.0446	0.0446	
83.8379	83.9034	GBP	81.6271	81.3566	81.0628	
52.6849	52.7261	EUR	50.7031	50.5351	50.4468	

### Useless export bills

TT DQC	30 Days	60 Days	90 Days	120 Days	180 Days
50.7152	50.4023	49.9846	49.5042	48.9821	47.8126

### Exchange Rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Mal. Ringit	Indo. Rupiah	Sing. Dollar
43.35/43.5	51.8955/51.9	38.60/38.65	3.7995/505	7230/7250	1.6795/

Market Commentary
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Local interbank market was subdued on Sunday. In the call money market, the call rates ranged between 5.50 and 5.75 per cent.

International markets were closed. On New York closing, euro fell on Friday, shedding much of its gains made over the week as investors expected US inflation to remain low. Strong gains in US asset markets also boosted US dollar against euro.

On New York closing on Friday, USD traded at 1.6212/15 against GBP, 102.19/24 against Yen and 1.0127/34 against Euro.

## Shipping Intelligence

### CHITTAGONG PORT

Berth position and performance of vessels as on 12.12.99

Berth No	Name of vessels	Cargo	L port call	Local agent	Date of arrival
J/1	Dewan-1	Oil(BIT)	B ABB	OWSL	28/11 15/12
J/2	Dubai Success	Gr	MUMB	Seacom	25/11 13/12
J/3	Fantasy	GR/RS	Kaki	Littmond	3/11 13/12
J/4	Tae Dong Gang	Gr(Maize)	DHIL	Total	18/11 17/12
J/5	Banglar Kallol	Onion	Kara	BSC	6/12 16/12
J/6	Al Muztoba	Rice (P)/Gr	Kara	CLA	19/11 14/12
J/7	Xiang Jiang	Gr	Col	BdShip	27/12 13/12
J/8	Ulanjik	Wheat(G)	Aust	Ancient	20/11 13/12
J/9	Shun An	D/P/M.S.	Gr	RML	29/11 13/12
J/10	Dusita Naree	Wheat(G)	Sing	Littmond	10/11 14/12
J/11	Ken Koku	Wheat(G)	-	Lams	R/A 12/12
J/12	Yusuf Kalika Van	Wheat(P)	Varna	Angelic	16/11 19/12
J/13	QC Mallard	Cont	P Kel	QCSL	9/12 13/12
CCT/1	Bunga Mas Enam	Cont	P Kel	EOSL	08/12 15/12
CCT/2	Banga Birol	Cont	Sing	BSC	10/12 14/12
CCT/3	Tiger River	Cont	Sing	NOL	7/12 13/12
RM/14	Ocean Pride	C Link(D.Mond)	Karab	Apex	28/11 16/12
CCJ	Andreae	C Link	Pak	Brsc	8/12 19/12
DOJ	Banglar Shourabh	C Oil	-	BSC	R/A 12/12
DDJ/1	Banglar Maya	Repair	-	BSC	R/A 21/12
RM/8	Gill	Repair	Egypt	Seacom	14/11 16/12
RM/9	Pheathon	Repair	Durb	OWSL	10/6 14/12
KAFCO(U)	Martina	Fert (BAG)	Mong	SMSL	17/10 30/12

### VESSELS DUE AT OUTER ANCHORAGE

Name of vessels	Date of arrival	L port call	Local agent	Cargo	Loading port
Master Tide	12/12	-	SIChy	Drilling/Surver	Port
Skimmer	13/12	-	Jayee	Cement	-
Mary Nour	12/12	-	BSL	Cont	Sing
Ruhunupura (Cont)	18/11	T Pte	QCSL	Cont	Sing
Achiever (Cont)	8/12	13/12	RSL	Cont	Sing
Tia Estela	13/12	BAB	Seacom	R Sulp	GI(St coil)
Karna Sembilan	48/9/12	15/12	Eveet	Cont	-
Xpress Nitrigi (Cont)	1/12	14/12	Sing	QCSL	Cont
DAFA(Cont)	28/11	14/12	Sing	BD Ship	Cont
CCJ	Andreae	14/12	P Kel	EOSL	Cont
QC	Mihalis-F	14/12	C Link	Cont	Sing
DOJ	Banglar Shourabh	14/12	P Kel	Pil(BD)	Cont
DDJ/1	Banglar Maya	14/12	P Kel	Pil(BD)	Cont
RM/8	Gill	14/12	P Kel	Pil(BD)	Cont
RM/9	Pheathon	14/12	P Kel	EOSL	10/6
KAFCO(U)	Martina	15/12	Sing	SMSL	17/10