Reuter.

1630 GMT.

Snippets =

Oil prices edge up

in dull trading

prices edged up on Friday but

trading was dull as the lack of

an immediate decision by the

United Nations on whether to

allow Iraq to export some oil

left the market without direc-

tion, oil traders said, reports

September light crude oil fu-

tures contract was up 14 cents

at 21.60 dollars a barrel at

One New York trader said

"I don't think anybody will

want to play this market with-

out any kind of news."

New York, the

LONDON, July 27 : Oil

'Campaign to raise awareness among exporters a must'

Optimum utilisation of export development fund stressed

Star Economic Report

Govt must intervene in

BCCI crisis: DCCI

Star Economic Report

The speakers at a seminar on the utilisation of the Export Development Fund (EDF) on Saturday in Dhaka called for launching vigorous campaign to raise awareness about the EDF among potential exporters of the country.

Although the project has been in operation for almost two years, EDF funds have hardly been utilised, the

speakers said. Highlighting various reasons behind non-utilisation of the fund, the speakers pointed out that access to foreign exchange for import of raw materials has been a serious bottleneck for entrepreneurs with ideas for internationally marketable products.

The inaugural session was attended by Nasimuddin Ahmed, Secretary Commerce as the chief guest, SB Choudhury, Bangladesh Bank Governor. Christopher Willoughby, World Bank Resident Mission Chief and Ms Mary C Kilgour, USAID

Moderate rise in

share trading

Star Economic Report

Saturday at Dhaka Stock

Exchange(DSE) with a moder-

tions moved up to 5,006 from

Thursday's 3,261. Traded is-

sues valued Taka 3,18,904.00

compared with Thursday's

number but decliners involved

more transactions in value

terms. As a result DSE All

Share Price Index, which is

the broad indicator of price

movements declined slightly

to 300.6021 points from

Bank and Milon Tannery de-

clined Taka 5.00, Taka 3.00

and Taka 2.00 to Taka 800.00,

Taka 104.00 and Taka 28.00

Eastern Cables lost Taka

The 4th ICB Mutual Fund

BOIC Insurance, 6th ICE

and 5th ICB Mutual Fund de-

clined Taka 1.50 each to Taka

Mutual Fund, Jute Spinners

and Ashraf Textile declined

within the range between Taka

Refractories and NTC gained

Taka 3.33, Taka 3.00 and Taka

2.00 to Taka 148.33. Taka

Insurance and Beximco

Pharma advanced Taka 1.95,

Taka 1.44 and Taka 1.13 to

Taka 165.00, Taka 118.44 and

Spinning. Appex Tannery.

Beximco and Monno Ceramic

moved up within the range be-

tween Taka 0.35 and Taka

Quoted Prices of

Traded Stocks

*FV/ML Closing **Changes

123.00

118.44

July-27

Dulamia Cotton, Tallu

Chittagong Cement, United

108.00 and Taka 267.00.

Bengal Food, Savar

139.00 and Taka 123.00.

Al Baraka Bank, National

Thursday's 300.7657.

respectively.

1.69 to Taka 75.50.

0.38 and Taka 1.00.

Taka 172.50.

Paper & Printing

Ashraf Textile

Advancers were more in

In volume terms transac-

ate rise in share trading.

Taka 2,84,240.00.

The week began on

Director. USAID, World Bank and Bangladesh Bank jointly sponsored the seminar which was organised by Export Development Project.

Export Development Fund was created in 1989 with the objective of raising the exports of non-traditional items. The fund comprises an amount of \$30 million with joint participation of International Development Agency (IDA) and Bangladesh Bank. The exporters of non-traditional products can take foreign exchange credit from EDF against Letters of Credit for exports. This will facilitate import of raw materials for exportable goods to be used in terms of exports from

One of the main objectives of EDF was to help open more than one Letters of Credit internally against Letters of Credit for exports. The new exporters will be given adequate facilities from the fund. An amount of six million US

The President of the Dhaka

Chamber of Commerce and

Industries (DCCI) on Saturday

appealed to the Government to

intervene immediately in the

situation following the suspen-

sion of the operations of the

Bank of Credit and Commerce

International (BCCI) in

the business sector due to the

inordinate delay in reaching a

decision on the BCCI affair.

Mahbubur Rahman said in a

statement that the arrange-

ments announced earlier by

the central bank to divert in-

ternational trade operations by

the BCCI clients in the country

through its designated bank

have proved totally ineffective

and are thus of no operational

trade and industry have put

serious strains on the BCCI

that the recent announcement

by the Central Bank of Sri

Lanka asking a private bank to

run the local branches of the

BCCI there, provides on exam-

ple of how to deal with such a

Price Barometer:

Essentials

July - 27

(Taka per kg)

19.00-19.50

15.50-17.00

14.00-15.00

13.50-14.50

5.00-6.00

12:00-14.00

10.00-12.00

11.00-13.00

6.00-8.00

6.00-8.00

6.00-8.00

(Tala per leg)

12.00-14.00

9.00-10.00

7.50-8.00

17.00-18.00

(Taka per kg)

160.00-170.00

115.00-130.00

120.00-130.00

100.00-120.00

90.00-100.00

80.00-90.00

32.00-34.00

26.00-28.00

28.00-30.00

24.00-26.00

24.00-26.00

14.00-16.00

60.00-65.00

80.00-90.00

50.00-54.00

36.00-37.00

75.00-80.00

55.00- 56.00

14.00-15.00

32.00-44.00

65.00-70.00

52.00-60.00

52.00-60.00

22.00-24.00

18.00-22.00

3.00-3.50

3.50-4.00

(Taka)

28.00

7.00-8.00

220.00-240.00

20.00-22.00

(Taka Per kg)

(Taka per kg)

(Taka per Litre)

(Taka per kg)

75.00-80.00

(Taka per kg)

"We understand that moves

clients," he pointed out.

"The dislocations caused to

The DCCI President said

Noting the adverse effect on

Bangladesh.

consequences.

Aman (Very fine)

VEGETABLES

Green Banana (Four Pieces)

OTHER FOODGRAIN

Lady's finger

Katla(big)

PULSES

Vegetable Ghee

Turmeric(Round)

Cinnamon* (10gms)

MISCELLANEOUS

Source: Department of Agricultural Marketing

Cardamom* (large)

Green chillies

(Long)

SPICES

Aman(fine)

dollar has been reserved for new entrepreneurs.

Chief guest of the inaugural session of the seminar Commence Secretary Nasimuddin Ahmed said there was a need for greater utilisation of the fund to help boost country's exports.

"We are prepared to make the terms and conditions of the fund flexible if the en! trepreneurs show more interests," he said.

Stressing the need for export growth-led economy Ahmed said that country's export potentials must be diverstfied.

Ahmed said that exports contributed only 10 per cent to country's GDP and advised the traders to be more aggres sive and dynamic in exploring international market and enlisting more non-traditional

Bangladesh Bank Governor SB Choudhury told the meeting that EDF did not have a

were earlier taken in other

countries, including Thailand,

Macau. Australia and Pakistan.

to facilitate the resumption of

BCCI operations through ap-

propriate arrangements," he

Government and the central

bank to examine various op-

tions and arrange immediate

resumption of operations for

the central bank may consider.

as an alternative, the distribu-

tion of BCCI operations among

existing commercial banks in

the country to facilitate normal

banking transactions to the

central bank should deem ap-

propriate to deal with the situ

ation, it should be announced

immediately in the larger in-

APL,OOCL

trans-Pacific

accord likely

Ltd. (APL) and Orient Overseas

Container Line Inc. (OOCL)

Saturday jointly announced

their intention to file with the

Commission an agreement

permitting the two carriers to

exchange vessel space and co-

ordinate vessel sailings, says

press release in Dhaka on

by APL from the Maritime

Administration of the US

Department of Transportation.

APL and OOCL said the agree-

ment, which covers the trans-

Pacific trade, will provide cus-

tomers of both companies with

a number of service improve-

ments and enhance the carri-

The five-year agreement

would enable both carriers to

offer faster transit times and

five weekly sailings between

the US West Coast and key

markets in Asia with direct

service between US West

Coast port and Southwest Asia.

President, said "the agree-

ment will achieve APL's objec-

tive of improving our trans-

Pacific services to customers

Director, said "We will be able

to provide an enhanced an

more comprehensive service

for the long-term benefit of

John Hsta, OOCL Managing

as well as asset utilisation."

George Hayashi, APL

ers operating efficiency.

Approval will also be sought

Saturday.

Federal Maritime

American President Lines

Whatever the options the

depositors," he said.

terest of all, he added.

"We would also suggest that

the BCCI clients.

Thus, he urged the

formal launching until now although it was a new window for providing foreign exchange to the potential exporters.

Analysing various problems for low rate of fund utilisation. Choudhury said procedures for utilising the EDF would be simplified. He said the exporters should acquire technical knowhow in marketing their products and make best use of the available facilities to raise country's exports.

World Bank Mission Chief Christopher Willoughby said the Bank has already proposed a number of policy and procedural changes to the EDF policies to accelerate utilisation. The suggestions included that value added criterion should be reduced, advance imports be allowed for reputable exporting firms, banks be allowed higher margin by increasing the relending rates, mandatory credit guarantee be waived leaving it to the banks to decide and temporary ac

These changes, Willoughby hoped, would help improve EDF fund utilisation and accelerate export earnings.

USAID Director Mary C Kilgour said the EDF aimed at promoting output and employment in non-traditional export industries in the private sector of Bangladesh.

Narrating some of the measures taken by USAID in removing bottlenecks in EDF utilisation. Kilgour said, 'Primary focus of our technical assistance is the improved efficiency of the government agencies to support export de-

The measures taken by USAID include installation of a computerised management information system at the National Board of Revenue (NBR), installation of a computerised data processing system at Sadharan Bima Corporation to improve efficiency of government agencies to support development. USAID Director said.

Two papers were presented in first business session on the day which was followed by discussions on various aspects of the issues raised in the papers in the second session. All the sessions were

Export chaired **Development Project Adviser** Dr Kabir U Ahmed and coordi nated by M A Quasim, Training Coordination of the project.

Crime boss paid Bush's brother!

TOKYO, July 27: Two compantes run by a former Japanese crime boss paid US President George Bush's brother, Prescott Bush. 2,00,000 dollars for investment advice, the head of one of the firms said in an interview published today, reports Reuter.

Munenobu Shoji, President of real estate firm Hokusho Sangyo, spoke in an interview with the Yomiuri Shimbun newspaper, the english-language daily Yomiuri published a translation.

Yomiuri said the real estate firm was run by Susumu Ishii who retired as boss of organised-crime syndicate Inagawa-Kai several months ago because of ill health.

Shoti said he had been introduced to Prescott Bush in March, 1989 by the President of West Tsusho, which Yomturi described as an overseas investment arm of Hokusho Sangyo. Bush was visiting

"In Japan, Hokusho Sangyo's potential expansion was limited because of its connections with the Inagawa kai," Shoji was quoted as say-

"I thought of making investments in the United States with the help of Prescott Bush who is a financial consultant and knows many influential people such as the Presidents of South Korea and Phili-

Shoji was quoted as saying the US President's brother had contacted him after returning home from Japan and had asked if he was interested in buying real estate in Florida.

We also bought two financtal firms in New York - asset management international financing and settlement and quantum access," Shoft was quoted as saying.

"All of our US investments were advised by Prescott Bush. He gave us an investment guarantee of 2.5 million dollars. and he received 200,000 dollars from both companies as consultant fees.

Shoji is currently facing charges that he violated foreign exchange and foreign trade control laws in making his firm's US investments. Yomiuri said.

The Inagawa-Kai is involved in a storm of financial scandals sweeping Japan

EC-Japan accord on cars

BRUSSELS. July 27 Members of the European Community reached agreement here Friday on a gradual opening of the EC market to Japanese cars, a diplomatic source said, reports AFP.

The proposal is now to be out to Japan in a bid to conclude negotiations which be gan a year and a half ago.

European diplomatic sources said that Japan had reportedly accepted the main points of the agreement.

The 12 EC member countries approved a proposal put forward by the community's executive commission on Monday at a special meeting of EC ambassadors here.

The agreement would see the European market opened totally to Japanese cars on January 1, 2000, informed sources said here.

Consumer prices up in W Germany WIESBADEN (Germany).

July 27: Consumer prices in the former West Germany rose 4.5 per cent in July over the same month last year, according to provisional figures published here Friday, reports

The prices were one per cent higher than the June level. The steep rise in year on year inflation from 3.5 per cent in June was largely due to tax increases in July to help meet the cost of German unification, the statistics office

The tax increases included oil products, insurance and company and income tax, and saw petrol prices at the pump soar by 30 per cent.

Dollar drops, gold moves higher

New York, July 27: The dollar dropped sharply Friday after the Commerce Department announced slim second quarter economic growth, while gold moved higher, reports AFP.

The Greenback traded at 1.7430 German marks against 1.7610 Thursday and the yen closed at 137.65 against 138.80.

The dollar fell to 5.9305 French francs versus 5.9860 Thursday, 0.5936 pounds sterling (0.5984) and 1.5205 Swiss francs (1.5355). Gold rose 1.70 dollars to 366.20 dollars an ounce.

Somalia seeks

Saudi aid RIYADH, July 27: Somalia has asked King Fahd of Saudi Arabia to provide "emergency aid" to relieve famine, the head 9.668 of a delegation from the 18.443 Somalia reconciliation conference said here, the Saudi

> Arabia SPA news agency reported, says AFP. "Somalia, which is suffering from misery and famine, needs emergency aid to save the Somali people," delegation head Aden Abdallah Othmane was quoted as saying during a meeting on Wednesday between the King and members

> been visiting Jeddah. The members of the reconciliation conference "have agreed to establish peace and stability in Somalia," said

> of the conference who have

King Fahd had repeated that Saudi Arabia "stands beside Somalia and is sparing no effort to help its brotherly

(Wet/Salted)

(Taka per100 pieces)

45,000.00 55,000.00 75,000,00 25,000.00

-60,000.00

20,000.00 - 21,000.00 40,000.00 - 42,000.00 - 50,000.00 - 65,000.00 Very heav - 85,000.00 -30,000.00- 8,000.00 8,500.00 6,000.00 5,500.00

55,000.00

Abu Dhabi prepares not to

DUBAL, July 27: The ruler of Abu Dhabi is not prepared to waste any more money on the scandal-hit Bank of Credit and Commerce International (BCCI) Gulf bankers say, reports Reuter.

The family of Shetkh Zaid Bin Sultan al-Nahayan and the state of Abu Dhabt own 77.4 per cent of the Bank's Luxembourge-based parent BCCI holdings SA. They are livid over what they see as hasty action by banking regulators in the west to freeze BCCI assets and shutdown its opera-

One banking sources said

The Abu Dhabi government, its investment authority and Sheikh Zaid's office placed newspaper advertisements in London and New York earlier this week protesting at the ac-

They said they were shocked that the Bank had been closed down after they had injected fresh capital, made board and management changes and begun an internal

Abu Dhabi has said it was in talks with the Bank of England about restructuring only days before the central bank led the administered by Pakistani executives.

On Tuesday Bank of England Governor Robin Leigh-Pemberton indicated Abu Dhabi recognised the Bank was beyond rescue.



room of the Ministry recently.

\$3b UK exports threatened

cess be allowed to EPZ firms.

LONDON, July 27: Two billion Pounds (three billion Dollars) of British exports are threatened by closure of the Bank of Credit and Commerce International (BCCI). spokesman for British exporters said yesterday, reports

Two billion Pounds of exports are at risk. Urgent action is required ," said Derek Langham, Director-General of the Institute of Export.

Letters of Credit issued by BCCI of exporters were caught up when the bank was closed by regulatory authorities on July 5, stranding cargoes on quaysides across the world for want of crucial title documents, Langham said.

A Letter of Credit smooths trade by allowing merchants to be paid directly by a bank, which takes a commission. Langham hoped to meet

Bank of England (central bank) officials for talks on the situa-

Vietnam to develop market economy

HANOI, July 27: Vietnam will develop its market economy while maintaining the socialist government's guiding role, head of state Vo Chi Cong told a national assembly session opening Saturday, reports AFP.

The two-week session will debate constitutional reforms and name several new ministers, including a successor to Premier Do Muoi, elevated to communist party secretary general by last month's party congress.

"Our country is developing a market economy based on market mechanisms and managed by the state along socialist lines," said Cong, the state council president, or head of

waste money on BCCI A bill of over ten billion to clean up BCCI, but the fraud

ran too deep and, in Britain at

least, the Bank would not re-

The culture of the Bank is

Sheikh Zaid, who is also President of the United Arab Emirates (UAE), told a cabinet meeting he would not waste "a single Dirham more" on a lost

tion against the Bank.

July 5 raid on BCCI, mainly

He said Sheikh Zaid had

cooperated with the regulators

A seven-member team of Association of Travel Agents of Bangladesh (ATAB) called on the State Minister for Civil Aviation and Tourism Abdul Mannan at the conference

our shippers. Multinationals in India looking up

BOMBAY, July 27: After a dustrialists as Fera, the act vir- norms requiring multinationals gap of 18 years, things are looking up for multinationals that already have operations in India as well as those considering the possibility of setting up subsidiaries here. reports AFP.

The upturn follows the Indian government decision Wednesday to allow direct foreign investment of up to 51 per cent in a large number of industries termed 'priority sectors".

They included 34 broad areas such as metallurgy, electrical equipment, transportation, food processing, hotels and tourism. The move arguably constitutes the most important step the government has taken in the last two decades to attract international investment. In 1973, under tremendous

influence from left-leaning supporters, the government of the last Indira Gandhi enacted the foreign exchange regulation act.

Popularly known among in-

tually cut off all new foreign investment into the country. It stipulated that only those multinationals which brought down their equity stake to less than 40 per cent would be allowed to function freely in the country. As for the rest, they were

denied permission to expand and diversify.

Companies such as IBM quit India rather than comply with the new regulation, while others, after some initial resistance, caved in.

German chemical and pharmaceutical giant Hoechst AG, for example, brought its equity in its Indian subsidiary down from 50 per cent to 40 per cent while Parke Davis cut its stake from 88 per cent to 40 per cent.

A 40 per cent holding was enough for these multinationals to retain management control over their Indian opera-

to hold at least a 51 per cent stake in their subsidiaries if their accounts are consolidated created problems for a large number of corporations. Girija Pande, General

Manager of investments for ANZ Grindlays India, the largest foreign bank operating here, said, "when a subsidiary does not figure on the worldwide balance sheet of its multinational parent, then the people at headquarters start losing interest.

"This is what happened to the Indian operations of many multinationals, and this is also one of the reasons why many multinationals balked at coming into the country." According to Atul Duldhoya,

President of the powerful **Bombay Chamber of Commerce** and Industry, the nationalist lobby that pushed through Fera helped create a perception among Indian industrialists that multinationals are But international accounting , "inherently bad" and were out

to "destroy local industry" with their superior technology and marketing abilities. As a result, when some of

the larger foreign companies showed interest in India, local industrialists either blocked or delayed their entry by lobbying Thus, it took Pepsico as

long as four years to convince the Indian government to allow it to set up operations. And when Coca Cola tried to reenter the country in 1989, its application was rejected. Though the need for tech-

nology did force the Indian government to allow several multinationals such as bull of France, Hewlett Packard, Dec. Suzuki, Honda, Whirlpool and others to pick up minority shareholdings in Indian companies, restrictive Indian laws regarding imports and taxation prevented them from investing heavily in the country.

Dollars would represent about two years of ABU Dhabi's entire oil export earnings. A provisional liquidators

The report said if the

Emirate was unable to place

the bad loans back with the

Bank, its losses from the clo-

sure could be as much as 6.5

Monday held up the Bank of

England's petition to wind up

BCCI for eight days to see if

compensation could be pro-

have said they would not be in-

terested in a rescue if the

Bank was wound up, although

many depositors still hope for

the UAE said Sheikh Zaid may

bail out BCCI depositors in his

own country as BCCI's Dirham

business to UAE borrowers

could be reasonably easily

carved off from the Bank's

will use BCCI's 40 per cent-

owned subsidiary Bank of

Credit and Commerce

Emirates, which is to be re-

named Emirate's Union Bank.

Exchange Rates

July - 27

SELLING AND BUYING RATES, offered by

Commercials Banks, for Bank Cheques, (BCs) and

36.6226

21.0777

6.2030

9.7974

18.6993

1.4866

20.9811

10.0053

1.4203

5.8242

10.16

9.8737

37.24

Not available

One Unit of Foreign Currencies (FCs) for Take

UK Pound Sterling 61.8900

*AMU-Asian Monetary Union

Wage Earners Fund/ Export

CONDARY EXCHANGE MARKET

Performance Benefit (XPB) Fund

. The rates of Pound Sterling are

decided every day, based on the cross-

Overseas Drafts (ODs)

German Deutsche

French Franc

Dutch Guilders

Pakistan Rupee

Singapore Dollar

UAE Dirham

Kuwait Dinar

Indian Rupee

US Dollar

UK Pound

Saudi Riya

Saudi Riyal

(AMU*)

to rescue local depositors.

Bankers believe Abu Dhabi

troubled international affairs.

A western bank manager in

a negotiated settlement.

The majority shareholders

vided for depositors.

Britain's high court on

billion Dollars.

report issued in London on criminal," he said. Monday said some 4.1 billion investigators say the ac-Dollars of BCCI bad loans were counts show that for years transferred to the Abu Dhabi BCCI was making unsecured government under a refinancloans of hundreds of millions ing completed on May 22, the of Dollars to the rich of the Financial Times said. Gulf and Pakistan.

Estimated claims on BCCI of at least four billion and as much as 15 billion Dollars were too big even for the rich, oil-producing Emirate to try to cover, said another UAE bank general manager.

Rejoinder

EA Chowdhury, Chairma Board of Directors of the Pubuli Bank said Thursday that he was not a defaulter in respect of any bank loan. In a statement he says his

attention has been drawn to a news item published in the national dailies on July 23, 1991 in which it has been stated that the Finance Minister in reply to a question in the Parliament presented a list of Directors of Private Banks who borrowed money from different nationalised banks. Some of the newspapers have distorted the Finance Minister's statement stating that these private bank Directors have defaulted in repayment of their loans and purchased shares of private

banks with the money.

I am surprised to find my name in this list. The fact is that my late son Ejaz Ahmed Chowdhury on return from abroad after completion of higher education set up a specialised textile mills of 20 looms at Sylhet at his own initiative with a project loan of Tk 28,62,250 from Janata Bank, Sylhet in 1984 for import of capital machineries. Before the mill went into commercial production my son died prematurely as a result of a road accident in 1985. Since his death the mill has been ly-

ing closed. I want to make it absolutely clear that I never borrowed any money from any nationalised, private or development Bank. I hold only 315 shares of Pubali Bank Limited worth Tk 31,500. After my retirement from Government service I was elected as a Director of Pubali Bank Limited by majority of the shareholders in the interest of the Bank.

rates of New York market Source: Sonali Bank Gold & Silver

Tejabi 6,000.00 Gutnea 6,300.00 200.00 Seture Department of Agricultural Marketing

July- 27

Hides & Skin

July- 27

3,000.00 2,500.00 7,000.00 7,500.00 Othmane.

Somali people."

Increased output controls oil prices PARIS, July 27: The Gulf

crisis that started nearly a year ago brought a temporary surge in oil prices after lrag's invasion of Kuwait, but by boosting production, Saudi Arabia showed that the importing countries could do without Kuwatti and Iraqi crude, reports AFP. The crists also encouraged dialogue between a number of

producers and consumers who

were anxious to avoid a repetition of the shocks that rocked the market in the 1970s, Pierre Terzian, Director of Petrostrategies Magazine,

commented: "Oil survived its Chernobyl better than nuclear energy.

11 Gains 10 losers DSE All Share Price Index = 300.6021

134 Listed Stocks its previous quoted prices.

77.00 unchanged

(+3.00)

Dhaka Stock Exchange

Market Profile

July - 27

114.00

*FV * Face Value, ML = Market

gain and (-) signs losses.

113 Unchanged 113 Unchanged stocks include fifteen traded on the day at Issued Capital=Taka 5,439,680,590 Market Capitalisation = 8,589,781,341

Turnover = Taka 3,18,904.00 (Value) 5,006 (Volume)