

BCCI backed Israel arms sale to Iran for CIA, says French paper

PARIS, July 18: Bank of Credit and Commerce International SA (BCCI), closed by regulators in several countries amid allegations of fraud, acted as an intermediary when Israel delivered arms to Iran for the US Central Intelligence Agency (CIA) during the so-called Irangate affair, the French newspaper Liberation said on Wednesday, reports Reuter.

BCCI's links with the CIA were closer than suggested in earlier reports in the New York Times, the paper said.

Citing a BCCI source, Liberation said the Bank was nominated by the CIA when an Israeli arms trade and officials wanted guarantees before agreeing to be part of the deal. The role of the Israeli government in the deal had never been established, the paper added.

In return for indemnification, the Bank agreed to set up Letters of Credit between Tehran and the Israeli negotiators, in plain language, to make official the secret financial transactions between the two parties, Liberation said.

And it guaranteed the sums exchanged in the event of problems, it said.

AFP from London adds: The Bank of Credit and Commerce International (BCCI) is unlikely to open its doors again, a court-appointed administrator said in London Wednesday.

Banks that have reached a stage such as this do not normally reopen, said Brian

Smouha of accountants Touche Ross, who has been in charge of dealing with BCCI's affairs since it was put into provisional liquidation at the beginning of the month.

He also warned in a television interview that it would take three or four years to unravel the affairs of the bank, which was accused of widespread fraud and drug money laundering and is estimated to have losses of up to four billion Dollars.

Another report from Karachi (Pakistan) says: A three-member delegation from the Bank of Credit and Commerce Emirates (BCEE) Wednesday discussed a possible takeover of the BCCI's operations in Pakistan with the central State Bank of Pakistan, Bank officials said.

The BCEE delegation, headed by Managing Director Bashir Tahir, held talks here with the Governor of the State Bank of Pakistan, Imtiaz Alam Hanif.

Officials of the ailing Bank of Credit and Commerce International (BCCI) said that legal matters regarding the

possible takeover of BCCI's three Pakistan branches, in Karachi, Lahore and Islamabad, by BCEE were discussed at the meeting.

There was no official word about the result of the talks.

The central bank has allowed BCCI to continue operations here as long as legal and financial backing for its international transactions were provided, by BCEE, the Abu Dhabi branch of BCCI whose ruler was a controlling share in the Luxembourg-based institution.

The State Bank of Pakistan wants BCEE to take over the Pakistan branches of BCCI and thus bypass legal hitches caused by its closure in a number of countries.

BCCI's founder was a Pakistani financier with close links to Arab and Third World bankers and rulers.

According to BCCI sources, the bank handled Pakistan exports worth 585 million Dollars and imports worth 352 million Dollars during the financial year which ended in June.

BCCI's fixed capital in

Pakistan is estimated at 37 million Dollars while it held deposits worth 402 million Dollars before July 5, when the Bank of England triggered the international probe on allegations of fraud and money laundering.

AP adds for Hong Kong: The Hong Kong government said Wednesday it will place the Bank of Credit and Commerce Hong Kong Ltd. into liquidation.

Speaking before the law-making Legislative Council, the Colony's Finance secretary, Sir Piers Jacobs, said the government had spent a week discussing a sale of the operation, but a plan could not be worked out.

"We are taking this step because we believe it to be in the ultimate interest of depositors," Jacobs said. "Their interests remain our prime concern."

The bank in Hong Kong has 25 branches, with thousands of small depositors with a total of Dhs. 1.4 billion in their accounts, as well as a separate deposit-taking subsidiary

called BCCI Finance International Ltd.

Local depositors have organized vehement protests appealing for assistance from the government since the BCCI unit was closed on Monday after authorities in international financial centers shut the parent company and most of its major global operations on the preceding Friday.

An earlier report said: Bank of England Governor Robin Leigh-Pemberton returned to London Wednesday from a trip to Abu Dhabi for consultations with its ruler on the scandal-hit Bank of Credit and Commerce International (BCCI), officials said.

The Bank of England has come under strong criticism for its handling of the BCCI affair, particularly an alleged delay in taking action after being warned of possible problems at the bank.

The Financial Times newspaper reported Wednesday that the Bank of England had been warned of possible fraud and irregularities in BCCI in October, nine months before it ordered the Bank's closure.

Barapukuria coal mine project still languishing in cold storage

By Chapal Bashar

A detailed feasibility on Barapukuria coal mine project has caused a new controversy over its economic viability. Over last five years, the project could not take a 'bankable' viable shape.

The report has been prepared by a UK-based consultant firm. The consultants have estimated the required net investments for the project at about 300 million US Dollar. This amount excludes interest to be accumulated during the period of implementation. Some other major overhead expenditures have been shown as the operating expenditure.

According to the consultants, the net investments for the project will yield only little over 10 per cent return on an annual basis after its implementation. This is considered to be a low rate of return, or what is known as low uneconomic rate of return (ERR) in project appraisal terminology, on such huge investment requirements.

Local experts fear that the poor ERR will not attract any foreign donor to fund the project. The same source said, the stress in the report was given on civil engineering construction works for mining. About one-third of the net investment cost has been earmarked for housing and other facilities in the project area. They are of the view that the construction cost for civil works has been estimated by the foreign consultants at a very 'inflated level', leading to high investment cost estimates.

The feasibility report on the project has been prepared by the foreign consultant, under an assistance from Overseas Development Administration (ODA) of the UK. Bangladesh Government recently received

the report and the same has also been examined and reviewed by Petrobranga.

The coal mine at Barapukuria in Dinajpur district was discovered in 1985 by the Geological Survey of Bangladesh. It has been estimated that there is deposit of 250 million metric tons of coal in the mine which covers an area of 3.5 square kilometre. The ODA has financed the seismic survey of the mine. This was followed by detailed drilling and geo-engineering investigations. After all these studies, the feasibility report has been prepared.

According to local experts, the construction costs for civil works have been shown in the consultant's report at almost double the prevailing rate for 'super quality construction charges' in the country. They point out that the economic price of coal, as mentioned in the report, should include trade services such as stevedoring cost, port and banking charges along with cost and freight (C&F) price.

The foreign consultants, they note, have not taken all relevant factors for ERR calculations. Some of local experts also disagree with the period stipulated for implementation of the project. According to them, the consultants have projected the mine development in nine years time frame for implementation of the project. Had this been done, this would have drastically reduced the ERR. The project can be implanted much earlier, the

experts say quite confidently.

The techno-economic feasibility report lacks in detail description and quantitative analysis, according to concerned local sources. They believe that accurate estimation of investment cost for the development of Barapukuria coal mine is possible, only when total physical works of both underground and surface facilities are elaborately described and quantified. These points have not been fully covered under the report.

The experts maintain that the report on the coal mine project should be recast with reasonable calculation of ERR to attract donors for its implementation. With the implementation of Barapukuria coalmine project Bangladesh will be able to meet its coal requirements. About one million tons of coal will be extracted from the mine each year, according to the updated estimate of the local experts.

'G-7 move to promote extra debt relief for poor states a major breakthrough'

LONDON, July 18: A move to promote extra debt relief for the world's poorest countries included in the Group of Seven Economic Declaration on Wednesday drew a tentative welcome from development economists, reports Reuter.

"It certainly gives a high-level political push for the Paris Club of creditor nations) to come up with proposals" said Tony Killick, and economist at the Overseas Development Institute.

"It's a major breakthrough—no doubt about it" Killick added, though there was some disappointment the declaration was not very specific.

World Bank President Barber Conable also welcomed the commitment by leaders of the G-7.

"We are very pleased that the summit leaders have agreed on the need for additional relief of the debt which places such a crippling burden on many of the poorest countries in the world, Conable said in a statement issued in London.

"This should help them in their efforts to achieve sustainable development and alleviate the hunger and poverty that currently blights the lives of millions of people.

The G-7 declaration said the poorest states, mainly in sub-Saharan Africa, need very special terms on debt.

At news conferences, both France and Britain made it clear that the group and agreed more.

French President Francois Mitterrand said the proportion

of relief of debt owed to Western Nations "will go from 50 to 80 per cent depending on each case."

Analysts said the G-7 declaration would be seen as a victory for the European members of the G-7 and Canada which have been pushing for measures to help poor countries.

Ahead of the summit, the US and Japan had been thought to have reservations.

Another report said: The World's Seven richest nations offered the Soviet Union a new partnership to help it join the economic mainstream at their historic first summit with Soviet President Mikhail Gorbachev.

AP adds: The British Prime Minister John Major outlined at a news conference the package of measures endorsed by G-7 leaders at their London summit to assist the Soviet economy.

In addition to IMF—World Bank associate status, the specific points Major outlined are:

— A pledge to get other world financial institutions to intensify cooperation with the Soviet Union to help build up the private sector.

— Increased cooperation in nuclear safety, transportation and other areas.

— Efforts to increase trade and attract private investment within the Soviet Union.

— Follow-up to the meeting with Gorbachev, including a visit by Major to Moscow before the end of the year, representing the Group of Seven.

— Visits by finance ministers and other officials of Western democracies with their counterparts in the Soviet Union.

Another Reuter report said: The G-7 leaders agreed to give Moscow access to help from the four main multilateral economic institutions—the IMF, the World Bank, the Organisation for Economic Cooperation and Development (OECD) and the European Bank for Reconstruction and Development (EBRD).

French President Francois Mitterrand said he hoped the Soviet Union would become a full member of the G-7.

Buyers active in Ctg tea auction

Star Economic Report

Strong support from both local and foreign buyers led to good demand for the offers at the tea auction sale held in Chittagong on Tuesday last.

According to a Unity Brokers' market report, brokers were well supported by buyers for the USSR and Iran. Fannings saw some interest from Iran while Egypt operated at the lower end of the market. Internal buyers lent strong support in the dust section.

Offerings, comprising of 18,163 packages of leaf, met generally good demand. However, there were some



LONDON: A demonstrator sits on top of a lamp post protesting deforestation and human rights abuse in Sarawak, Malaysia while the Economic Declaration was being delivered to the Group of Seven participants July 17.

A costly error

WASHINGTON, July 18: A calculation error led the government to make a 113.9-billion-Dollar overestimate in Tax revenue over the next five years, White House Budget Director Richard Darman told Congress Wednesday, reports AFP.

President George Bush's budget estimated that the government would take in 6.34 trillion Dollars in tax money in the next five years. But Monday's mid-year review of the February budget reduced the figure by 132.9 billion Dollars.

"As far as we understand, we made a mistake," Darman told the Senate Budget committee. "There is it. Let's face it and move on down the road."

The White House said 113.9 billion Dollars was lost because of "technical re-estimates." Darman called the error a mathematical goof, explaining that the Treasury Department

calculated taxes on alimony, pensions and royalties at a 20 per cent rate rather than the correct 10 per cent rate.

The new reduced revenue estimates put the record high Federal deficit for 1991 at 282.2 billion Dollars and at 348.3 billion dollars next year.

Senate Budget Committee members were upset with Darman's explanation of the estimated federal income discrepancy.

Snippets

374.5 tons gold in Soviet reserve

MOSCOW, July 18: The Soviet Central Bank held 374.5 tons of gold in reserve on January 1, 1991, the Soviet government newspaper Izvestia reported, lifting a veil that had shrouded the gold holdings in secrecy since 1936, reports AFP.

The Soviet gold reserves totalled 374,361,420.6 grammes, on the world market an ounce of gold trades at about 370 Dollars at this price the holding would be worth 4.88 billion Dollars.

Head of Expo-92 World Fair to quit

SEVILLE (Spain), July 18: The head of the Expo-92 World Fair to be held in Seville will leave his job next week, an Expo spokesman said on Wednesday, reports Reuter.

He said commissioner Manuel Olivencia would return to his university teaching post, but would not comment on reports he had been sacked by Prime Minister Felipe Gonzalez.

The change will be ratified by the cabinet on Friday, he said.

New wide screen TV set developed

TOKYO, July 18: Toshiba Corp. said Wednesday it had developed a new wide screen Extended Definition Television (EDTV), to be marketed on the Japanese market from November, reports AFP.

The new model features a 35-inch (91-centimeter) wide screen with a 9X16 aspect ratio that can receive hi-vision broadcasts and show them in the conventional National Television Systems Committee (NTSC) format as well as receive EDTV clear vision broadcasts. Toshiba officials said.

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Notice for sale of mortgaged Assets and Properties of Chittagong Board Mills Ltd., Kalurghat, Chittagong.

1. The mortgaged assets and properties of Chittagong Board Mills Limited capable of producing 5,000 tons of Hard Board annually will be sold in terms of Article 34 of Bangladesh Shilpa Rin Sangstha Order, 1972 read with the Bangladesh Shilpa Rin Sangstha (Direct Sale of Mortgaged Property) Rules, 1981 on "as-it-is, where-it-is" basis and on the basis of cash payment to realise the BSRS outstanding loans and dues of Tk 261.282 million as on Ist January, 1991 with further interest and charges thereon till realisation from the above named company.

2. Tender Schedule containing the details of the assets and properties (along with the list of Machinery) and terms and conditions of the sale may be obtained on payment of Tk 250.00 (non-refundable) from the Law Department, Bangladesh Shilpa Rin Sangstha, Head Office, Dhaka or from the following Branch Offices of the Sangstha. The BSRS Office at Dhaka or Chittagong may be contacted for inspection of the assets and properties of the project.

3. The intending tenderers/ buyers may please submit their tender in sealed covers in the Tender Box kept at the BSRS Head Office, Dhaka up to 12-00 Noon on the 12th August, 1991 along with 5% of the tendered amount as earnest money (refundable in case of the offers not accepted by the BSRS) in the form of Scheduled Bank Draft/ Pay Order drawn in favour of the Bangladesh Shilpa Rin Sangstha and payable at Dhaka.

4. The tender will be opened on 12th August, 1991 at 12-30 p.m. at BSRS Head Office, Dhaka in presence of the tenderers, if any.

5. The successful tenderers shall have to deposit 50% of the tendered amount within a week and the balance within 30 (Thirty) days from the date of acceptance of the tender. In case of failure in making the payment of the tendered amount as aforesaid within the stipulated time, the earnest money, 50% tender money or any tender money deposited shall be forfeited and the mortgaged properties will be eligible for resale.

6. The BSRS reserves the right to accept or reject any or all tenders/offers without assigning any reason whatsoever.

Assistant General Manager

Law Department
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Share trading rises modestly

Star Economic Report

The week ended at Dhaka bourse on Thursday with a modest rise in trading.

In all 4,405 shares and debentures changed hands compared with Wednesday's 3,959. Traded issued valued Taka 2,69,157.50 against the previous day's Taka 2,81,649.00.

Advancers dominated trading. And the Composite Index of Dhaka Stock Exchange (DSE) moved up slightly to 305,2708 points from Wednesday's 305,1132. Index is the broad indicator of price movements of all the listed stocks.

Transactions involved twentyfour stocks. Of them nine gained, six lost and nine remained unchanged at their previous quoted prices.

Apex Tannery, the lone traded debenture, gained Taka 2.50 to Taka 990.00.

Green Delta Insurance and Kohinor Chemical advanced Taka 2.00 each to Taka 110.00 and Taka 68.00 respectively.

Bangladesh That Aluminum moved up Taka 1.52 to Taka 98.52.

BOIC Insurance, Atz Pipes, Beximco Pharma, Bata Shoe and Beximco advanced within the range between Taka 0.10 and Taka 1.00.

Desh Garments, Bengal Food and Eastern Cables declined Taka 2.00, Taka 1.50 and Taka 1.37 to Taka 78.00, Taka 168.00 and Taka 78.00.

Quasem Drycells, 3rd ICB Mutual Fund and Dulamia Cotton lost within the range between Taka 0.01 and Taka 1.00.

Quoted Prices of Traded Stocks

July-18			
Symbol	Close	Change	Change (%)
Investment	100/10	155.00	+1.00
3rd ICB Mutual Fund	100/10	98.50	unchanged
Green Delta Insurance	100/10	110.00	+1.00
BOIC	100/10	110.00	+2.00
Green Delta Insurance	100/10	110.00	+1.00
Engineering	100/10	250.00	+0.33
Atz Pipes	100/10	98.52	+1.52
B That Aluminum	100/10	78.00	+1.37
Beximco Pharma	100/10	100.00	unchanged
Metals Corp	100/10	110.00	unchanged
National Tubes	100/10	110.00	unchanged
Quasem Drycells	100/10	8.50	-1.01
3rd ICB Mutual Fund	100/10	67.00	unchanged
Dulamia Cotton	100/10	144.00	-1.50
Apex Tannery	100/10	990.00	unchanged
Pharma & Chem	100/10	915.75	unchanged
Bengal Food	100/10	50.00	unchanged
Beximco Pharma	100/10	173.33	+0.33
Kohinor Chemical	100/10	68.00	+2.00
Textile	100/10	68.00	+2.00
Desh Garments	100/10	68.00	-1.00
Dulamia Cotton	100/10	78.00	unchanged
Bengal Food	100/10	14.25	unchanged
Talco Systems	100/10	37.00	+0.50
Beximco	100/10	9.00	+0.10
Apex Tannery	1000/1	990.00	+2.50

Exchange Rates

July - 18			
SELLING AND BUYING RATES offered by Commercial Banks, for Bank Cheques (BCs) and Overseas Drafts (ODs)	One Unit of Foreign Currencies (FCs) for Taka		
FCs	Selling	Buying	
US Dollar	36.6226	36.1390	
UK Pound Sterling	60.0995	59.3751	
German Deutsche Mark	20.3459	20.0691	
French Franc	5.9958	5.9138	
Saudi Riyal	9.7974	9.6680	
Dutch Guilders	18.0718	17.8200	
Pakistan Rupee (AMU*)	1.4848	1.4707	
Singapore Dollar	20.9192	20.6391	
UAE Dirham	10.0053	9.8732	
Kuwait Dinar		Not available	
Indian Rupee	1.4136	1.4002	
S. Kroner	5.6299	5.5513	
*AMU-Asian Monetary Unit			
SECONDARY EXCHANGE MARKET			
Wage Earners Fund/ Export Performance Benefit (XPB) Fund	Buying	Selling	
US Dollar	37.19	37.24	
UK Pound	61.05	61.10	
Saudi Riyal	9.95	10.00	
UAE Dirham	10.18	10.21	

*The rates of Pound Sterling are decided every day, based on the cross-rates of New York market
Source: Small Bank

Dhaka Stock Exchange Market Profile

July - 18		
Category	Count	Value
134 Listed Stocks		
9 Gains		
6 Losers		
119 Unchanged		
119 Unchanged stocks include nine traded on the day at its previous quoted prices.		
DSE All Share Price Index = 305,2708		
Issued Capital-Taka 5,439,680,590		
Market Capitalization = 8,723,192,707		
Turnover = Taka 2,69,157.50 (Value) 4,405 (Volume)		



R A Howlader, Managing Director National Bank Ltd, delivering his inaugural speech at the half-yearly Executives' conference held on Wednesday at its Head Office. M A Wahhab Deputy Managing Director of the Bank is also seen in the picture.