More indictments against BCCI soon, says US Attorney-Gen

founder and former President of the scandal-hit Bank of and Commerce International BCCI Agha Hassan Abedi, misappropriated over 1.6 million Dollars of the bank's funds for his own personal expenses in just less than a year. The Guardian newspaper said here today. reports AFP.

The paper, quoting sources close to the BCCI, said the money was skimmed off between May 1990 and last April. The Guardian said the

spending, which could in no way be considered legitimate company expenses, even continued after Abedi gave up his post of President in October last year. It said the bank's branches here and in Pakistan, Abedi's country of origin, simply paid the bills for his personal outlays.

It said the latter included repairs to his London House, for his car, medical expenses and trips. The spending continued until last April, the paper said.

From Washington AFP adds: Attorney General Dick Thornburgh Sunday said he expected more indictments of the BCCI "very soon."

Last week, authorities shut down the Luxembourg-based bank after a federal grand jury in New York indicted BCCI on charges of bribery and fraud.

Thornburgh said other grand jury investigations were being conducted in Miami and Tampa, Florida, Washington D C and Atlanta, Georgia.

"I expect in the next month or six weeks we will have the first of the indictments," Thornburgh said on CBS Television, adding that the charge would be in the areas of money laundering and regulatory violations.

The controversy surrounding the bank, whose operations were shut down July 5 by regu lators in eight nations, grew even more heated last week amid charges. That several US agencies knew of the bank's

Egypt to protect BCCI depositors

CAIRO, Egypt, Aug 5: The Central Bank has fired the directors of the Egyptian affiliate of the troubled BCCI and appointed a caretaker to oversee its operations, reports AP.

The statement published Monday in government-owned newspapers, the Central Bank said it will offer help and total support to the Bank of Credit and Commerce, Egypt."

The statement said the Central Bank felt it had to step in because Egypt's banking system has a responsibility "to protect the rights of the depositors not to lose their money.

Abdel-Ghani Gomaa, Board Chairman of the Egyptian-American Bank, was appointed caretaker.

The Central Bank said it is continuing contacts abroad to release deposits of the Bank of Credit and Commerce, Egypt, which were frozen when BCCI's emptre crumbled last month.

Officials of the Luxembourgbased BCCI has been accused of engaging in massive fraud and theft, brokering clandestine arms deals, laundering drug money and supporting a Mafis-style network of torture and terror.

The newspaper Al Messa said 68,000 depositors had placed 1.2 billions Dollar with the Egyptian branch, 400 million Dollars of which the Bank of England has frozen in BCCI's British branch.

Egyptian interests own a controlling 51-per cent of the Egyptian affiliate's shares. The other 49 per cent is held by BCCI Luxembourg, the overall bank's mother company.

Bids invited to help develop Algerian oil production

ALGIERS, Aug 5 : Algeria is to invite bids from foreign companies to help develop its oil production, a newspaper reported here Sunday, adds

Foreign companies will have 15 days to respond once the tender bid is announced in October, the Horizon newspaper quoted Energy Minister Noridine Ait-Laoussine as say-

Algeria hopes to raise six to seven billion dollars by the end of the year through the operation, to help service foreign debts estimated at 25 billion dollars and boost its ailing

economy. "Foreign companies are not rushing" to help Algeria exploit its oil reserves, the minister said, although the French company Total, Italy's ENI and several Japanese companies had shown interest in the new policy.

criminal activities but did

nothing to stop them. Thornburgh would not say whether any federal officials were being investigated an countered charges that the CIA had been involved in the bank's activities.

"Nothing has come to my attention to indicate the CIA has been involved in any illegal actions relative to BCCi," he

Thursday, Democratic Senator John Kerry asserted that since 1986 the CIA had known that the bank was acting improperly and that it secretly controlled a big bank in Washington.

Reuter reports from Dubat: The newly named National Bank will try to take over some of the regional operations of its

International lending agencies

are putting pressure on coun-

tries to rein in military spend-

ing, arguing that the burden of

maintaining war machines is

holding back economic re-

forms and hurting develop-

In the past the Washington-

based International Monetary

Fund and World bank — the

world's two leading lending

agencies - have kept well away

from the issue, arguing that

national security was a political

minefield to be avoided when

and accumulating evidence

linking deteriorating

economies to military costs

have triggered a change in the

minds of senior officials at

other institutions — and it is

beginning to show in some

BEIJING, Aug 5: Communist

China's central bank is com-

mitted to expanding capitalist-

style stock markets in the

country, the official China Daily

reported on Sunday, reports

programme to encourage ex-

changes, including setting a

clear regulatory framework, al-

lowing new listings and open-

ing the market for foreign in-

vestment, Shang Ming, an

Adviser to the People's Bank of

Cabinet) is paying close atten-

tion to the experiments of

China's two stock exchanges in

Shanghai and Shanzhen.We

plan to expand the two mar-

kets this year," said Shang, a

former Vice Governor of the

quoted an unnamed economist

as saying the plan is a "decisive

step towards putting our fi-

nancial activities gradually onto

the track of international

The official newspaper

"The State Council (China's

China, told the newspaper.

The bank is drafting a major

But the end of the cold war

ment, reports Reuter.

discussing loans.

policies.

disgraced parent, the BCCI, **Gulf bankers said on Sunday.**

BCCI's subsidiary in the United Arab Emirates, BCC Emirates (BCCE) changed its name to Union National Bank in a symbolic gesture to disassociate itself from BCCI whose operations were closed by central banks for global fraud and corruption.

Abu Dhabi Crown Prince Sheikh Khalifa Bin Zaid Al-Nahayan ordered the change, the official UAE news agency WAM said.

The Emirate could face up to 15 billion Dollars losses from BCCI, bankers say.

On July 32, the British High Court gave Abu Dhabi a four month reprieve from a Bank of England petition to wind up BCCI's affairs.

War machines holding

back economic reforms

World Bank President

Barber Conable who leaves the

lending agency in September

has pressed the issue of mili-

tary spending for the past few

years and IMF Managing

Director Michael Camdessus

global problems ranging

through a debt repayment cri-

sis in Latin America, profound

poverty in Africa and revolu-

tion in eastern Europe might

overwhelm the supply of

money for spending on solu-

world development report

shows the countries of the

world spend one trillion dol-

lars on the military every year

The report says the impact of

any war - expensive in itself -

is felt well after hostilities end

undermining economic growth

Shang said regulations on

The Shenzhen Exchange.

foreign investment would be

announced soon, but he de-

just over the border from the

capitalist enclave of Hong

Kong, was allowed to open of-

ficially last month, ending

more than three years of grey-

China's biggest city and site of

the pre-communist revolution

stock exchange, opened last

far proved normal and the two

markets are progressing

steadily." Shang told the China

new firms would be allowed to

list their shares, only that

shares listed in Shanghai, and

needed to expand in order to

more than 100 had applied.

six in Shenzhen.

reach a viable size.

He did not say how many

Eight companies now have

Shang said the markets

The experiments have so

The market in Shanghai,

clined to give details.

market trading.

The World Bank's latest

Both are concerned that

joined him.

for years.

China's central bank to

support stock markets

Abedi misused bank funds? Lawyers for the majority

owners and the court-appointed Liquidator were in Abu Dhabi last week to discuss what parts of the bank might worth saving, and further compensation for depositors, banking sources said.

Nothing has changed yet save BCCE's name, BCCI holdings still owns 40 per cent of Union National Bank, leaving open the question of whether the newly-named bank will try to buy its own shares in.

Union National Bank Chairman Sheikh Nahayan Bin Mubarak Al-Nahayan said last week that a team of auditors was studying taking over BCCI's operations in Pakistan, the home of BCCI's founder Agha Hassan Abedi and most of its senior management.

Kuwait a year after the Iraqi

invasion is a perfect example:

despite vast wealth, its econ-

omy is still only wriggling back

to vitality as oil wells set ablaze

by the retreating lraqi forces

continue to burn, officials note.

recent period for which fig-

ures are available, military

spending was 860 billion dol-

lars in high-income countries

and developing nations spent

170 billion dollars, 38 billion

dollars of it on arms imports,

most from industrial coun-

are entitled to ask whether it

makes sense to help govern

ments whose first priority is

not to develop but their mili-

tougher posture comes just as

the Soviet Union, a military

superpower, has applied to

join the two lending agencies.

the Soviet Union's economic

problems can be traced to its

huge military commitments

which leave little money for

modernising the country's in-

a group of businessmen and

economists there might be

movement towards a new for-

mal policy to control unpro-

dous problems namely to find

resources for financing all this

piling up of new needs for in-

vestment, we have to intensify

our efforts to help countries -

to induce countries — to cut

nonproductive spending

But officials do not think

the bank and fund will go as far

as telling countries that unless

they cut spending by a spe-

cific amount they face dra-

tionality muscle the two lend-

ing agencies use to persuade

countries to make the kind of

reforms they believe necessary

agencies are bolstering their

policy to reduce spending on

What is clear is that the

to reach economical health.

tanks, guns and soldiers.

This is the so-called condi-

wherever it is, he said.

matic cuts in aid.

When faced with tremen-

Last month Camdessus told

dustry.

ductive costs.

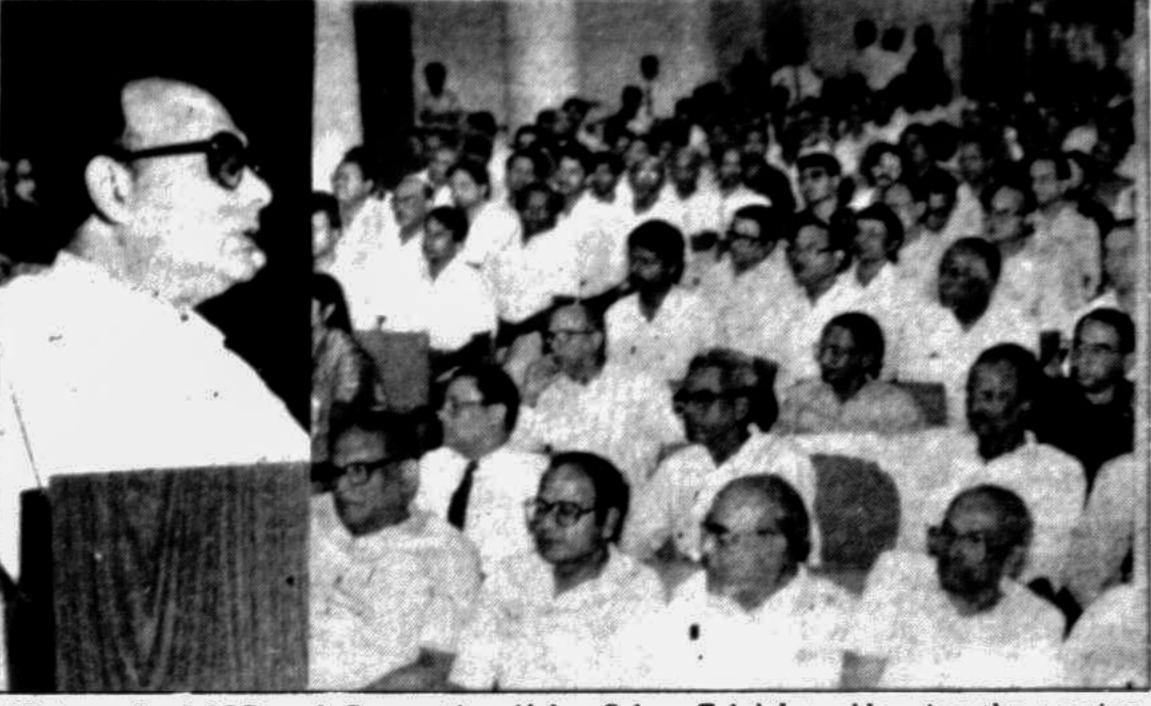
Economists believe many of

The decision to adopt a

tary strength, the report said.

"Aid and financé agencies

In the late 1980s the most



Minister for LGRD and Cooperative Abdus Salam Talukder addressing the opening ceremony of Pioneer Credit Co-operative Society Limited in the city on Monday.

Form broad capital base through savings: Salam

and Cooperatives poorer sections of the society. established on a firm institu-Minister Abdus Salam Talukder Monday underscored the need for forming a broad capital base through accumulation of small savings with a view to generating income and employment opportunities in the country, reports BSS.

The Minister was speaking at the inaugural function of a new Credit Cooperative Society in Dhaka.

Minister for State Information, Mohammad Nurul Huda, Editor of the Newsday A B M Musa, Registrar of Cooperative Societies and Chairman of the new Credit Society also spoke on the oc-

Salam Talukder said, coopcrative is a major socio-economic movement aimed at poverty alleviation and augmentation of income of the

He said though the coopera tives in Bangladesh had a history of more than one hundred years, the movement could not attain its desired goals due to lack of appropriate institu-

tional arrangements and dedi-

cated entrepreneurship.

He called upon the cooperators to promote the movement on a truly people-oriented basis and to expand the facilities of credit cooperation of horizontal approach rather than limiting the subject under the wings of a handful of influential

Referring to the efforts of the present government to ensure a balanced socio-economic order in the country. the Minister said the desired success in the socio-economic front would not be achieved unless democratic values were tional footing.

He said, the government is striving to promote the cooperative movement as a self-sustaining economic activity which should be based on disciplined self-management and free of corrupt practices.

Speaking on the occasion. the State Minister for information said that the government attached great importance to the role of the media in generating a popular awareness of the need for accumulating small savings.

Huda said the cooperative credit societies should keep their windows open for the poorer sections of the society so that they could extend meaningful contribution to the generation of economic activi-

MCCI reaction on industrial policy

Success depends on capital supply and technology

Star Economic Report

Metropolitan Chamber of Commerce and Industry (MCCI) on Monday took a positive note of the new industrial policy while expressing its fears that constraints in areas of capital supply, technology and skill development might impede its implementation.

in his reaction to the new industrial policy, the MCCI President Syed Manzur Elahi said in a statement to the press that the new policy reflected the government's desire and commitment for decontrol reliance on the market and integration with the world economy.

The MCCI chief noted, the industrial policy is a welcome package, though it dropped, apparently under the pressure of the multinational donor agencies, several fiscal and tariff incentives originally provided for in the draft of the

"In intent and spirit, the new policy follows the model the Asian Newly Industrializing Countries (NICs) with contradicted the once popular theory that developing countries must withdraw themselves from the international economy if they want to industrialise," he said

while mentioning that Asian NICs did just the opposite, integrating themselves with world economy in trade and investment and achieved quick economic success."

The MCCI president observed, shortage of capital will be the worst constraint for implementing the new policy. Already the institutional credit has dried up, he said while noting that during the last 5 years, the Development Financing Institutions (DFIs) disbursed Tk. 422 crores and

thereby showing a negative infusion of funds. "This obviously is not a healthy trend for a growing economy when the secondary source of finance is conspicuous by its absence." he stated He felt that the morale of

recovered Tk. 504 crores.

the local entrepreneurs wa

equally important.

Presently, most of them have been demoralized by the treatment meted out to them in the name of recovery of bank over-dues. A general perception is that some interested elements have been allowed to malign the entrepreneurial class just to discourage market-oriented economic reforms," he added.

The MCCI President called for giving urgent attention to the prevailing problems in industrial sector after the new policy having been announced by the government.

Indian shares continue upward spiral

BOMBAY, Aug 5 : Prices touched a record level on Indian Stock markets in a week of hectic trading, with the Bombay Stock Exchange (BSE) sensitivity index peaking at 1,703.15 at one point yesterday, reports AFP. The Sensex closed the

week at 1,680.6 a gain of 80.1 points to 810.8. Brokers seemed to be in no

mood to heed analysts warning that a potent combination of import curbs the rupee's devaluation, a credit crunch and a demand recession would lead to a substantial slowdown of industrial growth this year. eroding corporate profitability. Even Finance Minister

Manmohan Singh had in a post-budget press conference last week predicted a reduced growth rate of around four per cent for the Indian economy

But to the credit of the brokers at least three of the country's largest engineering companies Tata Engineering. Larsen and Toubro and Bajaj Auto, have reported performances for the first quarter of this year.

And brokers say that if their reports were any indication. industry should be able to maintain last year's growth rate in 1991-92 as well.

An interesting sidelight of the week's trading was the massive rise in prices of the shares of Larsen and Toubro and Reliance Industries which followed indications that the politically well connected house of Ambani, who control Reliance Industries, India's third largest private sector

company, will be able to get Larsen and Toubro back into their fold.

They picked up a 25 per cent equity stake in the company three years ago during Rajiv Gandhi's tenure as Prime Minister, but were dislodged from the management of the company by the V P Singh government which followed.

But with the Congress (I) Party back in the saddle in New Delhi and the new Finance Minister saying he would not take sides in corporate battles, Dhirubhai Ambani, The patriarch of the group, was set to return as Chairman of Larsen and Toubro and his son Mukesh Ambani as the Managing Director.

Larsen and Toubro's shares as a result shot up in value by 17 rupees to 152 rupees.

Asian currencies show mixed results against US Dollar

HONG KONG, Aug 5: Asian currencies posted mixed results against the US Dollars during the week, but with more gainers than losers, re-

Those that lost ground included the Indonesian Rupiah. the Malaysian Ringgit, the South Korean Won, the Philippine Peso and the Hong Kong Dollar.

A brokerage scandal had little effect on Japan's money markets and the Yen was among the winners despite dull Tokyo trading.

The Austrian Dollar saw only a slight rise as dealers waited for the release this week of the June quarter consumer price index, while in New Zealand dealers said the Kiwi was likely to drift down in the coming week as shortterm interest rates exerted pressure.

Moscow returned to open market economy. And, therefore, they had to learn auctioning in

Stock Exchange. Picture shows a business game at The Moscow Central Stock Exchange

JAPANESE YEN: The Yen gained ground against the Dollars in dull trading for lack of fresh incentives to close at 137.53 Yen per Dollar, up from 138.35 Yen a week earlier.

After opening at 138.27 Yen, it hit the week's low of 138.28 Yen on Monday while a disclosure of corporate clients involved in a brokerage scandal had little impact on the foreign exchange market.

It kept climbing to reach the week's high of 137.05 Yen on Thursday but eased Friday as market players waited for the release of US unemployment figures.

AUSTRALIAN DOLLAR: The Australian Dollar rose slightly during last week ahead of next week's inflation figures, dealers said Friday.

- Novosti photo

The Dollar closed at 77.80 US cent compared to last week's finish of 77.40 US

It ended at 60.2 on the trade-weighted index compared to 60.0 previously. Dealers said the market was

waiting for next week's release of the June quarter consumer price index (CPI) which was tipped to show annual inflation falling from 4.9 per cent in the 12 months to March to below four per cent. HONG KONG DOLLAR: The

Hong Kong Dollar finished

weaker against the US Dollar

Friday. The local unit closed at 7.7665 -7.7675, weaker than Thursday's finish of 7.7650-7.7670 which was also its opening rate. The Hong Kong currency

around 7.80 to the Greenback since October 1983. INDONESIAN RUPIAH: The Indonesian Rupiah started the week's trading at 1,957 to the

has been officially pegged at

Greenback, the same rate it closed on the previous week. It weakened during the five days of trading to close at 1,960 Friday. MALAYSIAN RINGGIT: The

Malaysian Ringgit weakened slightly to close at 2.7880 Friday compared with 2.7850 the previous Friday.

The local unit opened Monday at 2.7875 and was traded between 2.7858 and 2.7893 in a tight-range.

Dealers said the central

bank intervened in mid-week. NEW ZEALAND DOLLAR: The New Zealand Dollar closed Friday worth 57.24 US cents compared with its close the previous week of 57.08.

SINGAPORE DOLLAR: The Singapore Dollar finished firmer against the US Dollar at 1.7430 Friday compared with 1.7505 last week. Dealers said there was little

trading on the Greenback in Singapore.

The Singapore Dollar finished weaker against the Yen but was firmer against other Asian currencies. TAIWAN DOLLAR: The Taiwan currency gained mo-

mentum to close Friday at 26.8 to the US Dollar, up 11.35 Taiwan cents from the previous week's finish of 26.9135. After opening Monday at

26.91, the local unit steadily picked up steam, buoyed by the island's brisk export activities, market dealers said.

THAI BAHT: The Baht firmed against the Dollar closing at 25.73 to the Dollar compared to 25.75 the previ-

ous week. A bank official attributed

est rates.

Angolan oil workers end strike

LISBON, Aug 5: The workers of the Cabinda Gulf Oil Company which provides 70 per cent of Angola's oil output, yesterday ended a strike which had been going on for 18 days after reaching a pay agreement with management, the Portuguese news agency

Lusa said, reports AFP. An Angolan official said the conflict had cost the USowned company, which operates in the oil-rich Cabinda enclave in the north of the country, around 60 million Dollars.

been released. The 2,500 workers had been seeking a doubling of their pay, and improved housing. The Cabinda Gulf Oil

Company turns out some

260,000 barrels of crude a day.

of the pay accord had not

The agency said the terms

Indian militants asked to free oil worker

NEW DELHI. Aug 5 : Indian Oil employees appealed to Muslim militants yesterday to release their kidnapped colleague and warned them not to harm him, the Press Trust of India (PTI) said, reports

An unspecified number of officials from the state-run Indian Oil headquarters low cated in Bombay urged the militants in a joint statement to release their "innocent" colleague unconditionally, the agency said.

PTI quote the employees as saying their "emotions may be come uncontrollable," which might lead to a disruption in the free flow of petroleum supplies to Kashmir.

Indian Oil has exclusive control over the distribution and marketing of petroleum products in India.

K Doraiswamy, 58, an Executive Director in the Indian Oil, was taken hostage by activists from the Ikhwanul-Muslemeen, one of several Muslim militant groups fighting for the secession of Kashmir from India, during an official tour of the northern border state June 28.

The captors since have demanded the release of 10 of their jailed colleagues in a negotiated swap for Doraiswamy

RBI devalues Rupee

BOMBAY, Aug 5: The Reserve Bank of India (RBI) today announced a downward revision of the Rupee by 0.70 per cent in relation to the Pound Sterling making the British unit costlier by twenty

five paise, reports PTI. The new middle rate now works out to Rupees 43.55 per Sterling as against Rupees 43.30 previously.

The new buying and selling rates for spot delivery are 2.3019 and 2.2905 Sterling per Rupees 100, corresponding to Rupees 43.45 and Rupees 43.65 per Sterling respectively.

The Rupee-Sterling rate was last adjusted on August 2, when the Rupee was appreciated by 0.18 per cent.

'Recession hits Australia

SYDNEY, Aug 5: Savaged by recession. Australian companies are expected to announce the sharpest annual profit falls for years as the reporting season for the 12 months to June 30 gets into full swing from this week, reports AFP.

Analysts said, however, that dismal results, especially in building materials, manufacturing, and selected miners, would do little damage to the sharemarket which reached a 12-month high on Friday.

Overall the downturn in earnings will be worse than it was in 82-83 downturn," said Peter Wetherall, a researcher. This was because the level

of activity prior to the 1990-91 recession was higher than before the previous slump and the present downturn was exacerbated by the collapse of entrepreneurs, he said. Analysts said that the mar-

ket was not expecting huge losses on the scale posted a year ago by elders IXL (1.3 billion Australian Dollars - one billion US Dollars). The Bond Group of Companies (about four billion - three billion US Dollars) or six months ago by The Adsteam Group (3.7 billion Dollars - 2.9 billion Lib Dollars). But the recession which

had slashed sales, narrowed profit margins and inflicted heavy redundancy payments on solid Blue Chip Companies would be reflected in falling annual results, they said. Companies such as

Australia's largest Miner CRA and Transport giant TNT have warned of poor results. Craig Drummond from JB Were and Son said that the

the rise to Washington's GNP report which was lower than surge of the sharemarket's all expected and to reports Germany might increase interordinaries, index to a year high of 1582.9 points.