

Pak govt denies PM owes money to BCCI

ISLAMABAD, Aug 11: The Pakistani government Saturday dismissed allegations published in the British Daily The Guardian that Prime Minister Nawaz Sharif owes million of Dollars to the stricken, BCCI, reports AFP.

"Neither Sharif nor his family own company called Himalaya Textile and the Ittefaq Group of Companies run by the family of the Prime Minister does not owe any money to BCCI, Hussein Haqqani, a spokesman for Sharif said.

The newspaper, citing a confidential report from accountants Coopers and Lybrand Deloitte, claimed Saturday that Himalaya Textile owed the bank 3.4 million Dollars.

Interior Minister Chaudry Shujat Hussain, who was among those named by the British paper in connection with the scandal-ridden bank, said he would take action against the paper unless it retracts the story and apologises.

The Guardian alleged in the report that a group of companies owned by the Minister's family 8.5 million Dollars to BCCI, which has been closed down around the world.

The government spokesman said the report was "reflective of the kind of speculative and sensationalist journalism we have seen in some sections of the international media since the beginning of the BCCI saga."

Nepalese royal family denies link with BCCI

KATHIMANDU, Aug 11: King Birendra's palace denied on Saturday that the Nepali royal family had any involvement with the scandal-plagued Bank of Credit and Commerce International (BCCI), reports Reuter.

A palace statement published in the official newspaper, The Rising Nepal, described as mischievous and baseless newspaper reports that some members of the royal family had lost much of their wealth deposited with BCCI.

"No member of the royal family has any kind of relationship with BCCI," it said. BCCI branches worldwide were closed last month after allegations of fraud.

The palace statement said "particularly obnoxious" is the reference to the visit of Her Majesty the Queen and Her Majesty the Queen Mother to Bangkok, as the visit is for the sole and exclusive purpose of medical treatment.

The Rising Nepal said last Tuesday that Birendra's wife, Queen Aishwarya, reported last month to have fractured her hand, had gone to Bangkok for medical treatment with her mother, the Crown Prince and his sister.

Local newspapers have reported that the visit was related to attempts to transfer deposits from Hong Kong banks to US and European banks after the BCCI scandal.

The royal family's business interests were a major target of pro-democracy demonstrators last year. The demonstrations forced the King to issue a new constitution curbing his once-absolute powers and paving the way for free elections.

Thai company sues Stock Exchange for compensation

BANGKOK, Aug 11: A leading food-canning company has filed a lawsuit against the Stock Exchange of Thailand (SET) demanding one million US Dollars in compensation for suspending trading of its shares, court officials said yesterday, reports AFP.

Slam Agro Industry Co. (SAICO) said in the first ever lawsuit by a listed company against the Exchange that the SET's order to delist the company after blacklisting its Directors had caused tremendous damage to the Company, according to the court official.

The SET issued the order, which has not yet been signed by the Finance Minister on August 5 delisting SAICO from the exchange on the grounds the company had violated its regulation on the payment of dividends by delaying them.

SET had earlier in June, decided that SAICO's Directors were not qualified to be directors of a listed company and ordered the company to change its Directors by July 25. Eight out of 12 Directors resigned from the board after the order was issued.

SAICO told the court that SET also circulated a letter to 200 listed firms saying the company's Board of Directors was not qualified to sit on the Boards of other listed companies or those applying for listing.



Mikhail Lelyavski, of the Moscow SE Rosstok broker firm, taking exchange notes at an auction game in the school of Moscow Central Stock Exchange. — Novosti photo

Suharto wants OPEC ministers to meet

JAKARTA, Aug 11: Indonesian President Suharto wants OPEC Ministers to meet and seek ways to bring oil prices nearer to the group's reference price of 21 Dollars a Barrel, his Energy Minister said Saturday, reports AFP.

"President Suharto has instructed me to hold talks with (Organization of Petroleum Exporting Countries) Ministers on how to raise crude oil prices nearer to the 21 Dollar reference price agreed by OPEC," Mines and Energy Minister Ginanjar Kartasasmita said.

Ginanjar told journalists after meeting with Suharto that would crude oil currently fetched around 19 Dollars a Barrel and that although prices were on the rise, the pace was too slow.

"We must talk soon, making use of the momentum," Ginanjar said, adding that the talks should be held now.

Scandal grips Poland: 5 bankers arrested

WARSAW, Aug 11: Poland's biggest financial scandal deepened with a revelation that the National Bank's number two official is one of seven people arrested and accused of large scale mismanagement of state funds, reports Reuter.

A senior official at the central bank said its First Deputy President Wojciech Prokop had been arrested earlier this week.

Prosecutor's spokeswoman Grazyna Taladaj said another arrest on Friday brought the number of people detained to seven and more arrests were possible.

Industrial output rises in China

BEIJING, Aug 10: Industrial output in China rose sharply in July despite the flooding which hit many parts of the country, it was reported here Friday, reports AFP.

The country also recorded a healthy 1.1 billion US Dollars external trade surplus. China's industrial production rose 13.4 per cent to 185.6 billion Yans (35 billion US Dollars), said the English language China Daily citing statistical bureau figures.

Production was noticeably down in eastern China, the region worst hit by flooding. Jiangsu province saw its industrial production last month decline 1.3 per cent while Anhui province recorded only a 3.1 per cent increase.

For the first seven months of this year China's overall industrial output rose 13.5 per cent compared with the same period last year, reaching 245 billion US Dollars.

The government had targeted for growth of around six per cent, considered a safe level to ensure moderate and sustained expansion. China's external trade surplus of 1.1 billion Dollars in July was achieved with exports of 6.38 billion Dollars, up 24 per cent over the same month last year and imports of 5.28 billion Dollars, up 20 per cent.

Customs statistics cited by the China Daily showed that for the first seven months of this year China had a foreign trade surplus of 6.99 billion Dollars with exports of 30.12 billion Dollars - up 19.7 per cent.

Rumours of an increase in Brazilian exports because of the good harvest expected in 1991-92 also circulated. OIL: Irregular. After a steady start, prices eased slightly in anticipation of the UN authorising the sale of 1.6 billion Dollars worth of Iraqi oil over a six-month period to finance purchases of medicines and food.

Japanese detergent plant in Moscow likely

TOKYO, Aug 11: Three Japanese firms, including trading giant Sumitomo Corp. are planning to set up a synthetic detergent plant in Moscow, an official of Kao Corp. said yesterday, reports AFP.

The official from Japan's major household products manufacturer said the Soviets side may offer natural resources as payment for the plant.

The official refused to give the scale of investment and other details on the plant, which is to produce 60,000 tons of detergents a year. The Japanese companies also include major plant engineering firm Nikki Corp.

15 new gold mines in S. Africa likely

JOHANNESBURG, Aug 11: If the current financial and technical challenges facing the South African gold mining industry can be overcome, as many as 15 new gold mines could be developed, Mineral and Energy Minister George Bartlett said yesterday, reports AFP.

Launching a major mine safety campaign at Randfontein Estates Gold Mine near here, he said such a development would involve an estimated 45 billion Rands (15.75 billion Dollars) in capital expenditure in 1991 money, and create thousands of new job opportunities.

However, he warned that unless the gold price improves considerably and costs are kept at acceptable levels, it will be "very difficult" to raise capital for new gold mine ventures.

"Depth has been a challenge to South African mining engineers and scientists for decades. Their research, conducted on a co-ordinated and ongoing basis, has already led to numerous breakthroughs," he said.

The major challenge at present was to contain cost at a static gold price, there by keeping the gold mines viable. Current estimates indicated the capital cost to open a new gold mine would be in excess of three billion Rand

German consumer prices up by 4.4 pc

WIESBADEN (Germany), Aug 11: West German consumer prices were up by 4.4 per cent in July by comparison with the same month last year, the Federal Statistics Office announced here yesterday, reports AFP.

The result is slightly lower than the 4.5 per cent estimate announced on July 26, on the basis of provisional figures. There has been widespread concern that the cost of German unification has fuelled inflationary pressures.

Activity in the Auk and Clyde Fields was also interrupted. Coming after early July problems with the Dunlin Pipeline, these latest incidents have cut the North Sea's capacity by 20 per cent. COCOA: Easier after steady start. Prices were supported by fears of a significant reduction in the Brazilian and Ghanaian harvests. Tradehouse GNI forecast that production and consumption would be balanced in the 1991-92 season, or even in deficit after eight years of surplus.

But after touching a seven-month high, prices were trimmed by profit-taking and rumours of Ivorian sales. VEGETABLE OILS: Easier. The majority of vegetable oils were affected by a report from an Indonesian quarterly review forecasting a two per cent increase in world production in 1991 to 81.5 million Tonnes. After advancing on the drought in the United States, soy oil prices fell back under the pressure of forecast rains. RUBBER: Weak. Natural rubber prices eased in London in the wake of the futures market in Singapore which fell Thursday to its lowest level for

Ukraine stops private grain exports to other republics

KIEV, Aug 11: The Ukrainian Prime Minister said Saturday the republic will bar private citizens from taking grain and other goods to other republics under a new law designed to relieve food shortages, reports AP.

The Ukraine, known as the Soviet breadbasket, also reintroduced ration coupons and ordered police to set up 95 new border posts and 152 mobile border units. The move came after Prime Minister Viotold Fokin warned of possible bread rationing this winter.

Few republics have taken the bold step of setting up independent border posts. Posts set up by the breakaway Baltic states last year have been attacked repeatedly, including a raid two weeks ago in Lithuania that left seven men dead.

Defending the decision in a television speech, Fokin said "those who want to see us as separatists should know that the Ukraine fulfils (nearly) all of its previously agreed deliveries" to other republics. Fokin said the Ukraine was imposing restrictions because state-run collective farms were sending most of their produce out of the republic, the second most populous in the country.

The Ukraine needs 17 million metric tons of grain out of its expected 1991 harvest of 45 million metric tons. But Fokin said the Ukraine had obtained only 6.2 million metric tons by early August, a figure he called a "danger signal."

"We are talking about big amounts of goods taken out of the republic which we need badly ourselves," Fokin said. The new customs law permits export of goods only with proof they are fulfilling contracts for sales with other republics or with the Kremlin.

He said collective farms and farmers have been exporting surplus grain to other republics, particularly the neighbouring Russian Federation where wholesale prices are higher. The law is aimed at halting the seepage of products into the black market or the country's multi-layered barter network, often the only places to find goods.

The Ukraine supplies a quarter of all Soviet food and a large percentage of its coal. At the Ukrainian town of Baturin near the Russian border, police were seen turning back trucks loaded with refrigerators, sawpva and car parts. Some loads were confiscated.

Travelers were allowed out with no more than one kilogram of bread, half of kilogram of butter and a half kilo of sausage. Checkpoints also were to be set up at air and rail terminals. The law took effect at the same time the government reintroduced ration coupons to prevent citizens from other republics from taking advantage of low retail prices in the Ukraine.

The coupons were issued until last month after a long winter of shortages. Ukrainian deputy parliament chairman Ivan Plyushch said citizens complained about empty shops when the coupons, issued with salary payments, were withdrawn.

Gulf investors rush to Lebanon

DUBAI (United Arab Emirates), Aug 11: Thousands of investors and tourists from the oil-rich Gulf have travelled this year to Lebanon as the central government imposes its authority on the war-battered country, reports AFP.

About 50,000 Gulf businessmen and tourists have gone to Lebanon since earlier this year, figures at regional travel agencies showed. "There is an unusual demand by Gulf people for investment in Lebanon," said Hisham Taleb of the United Arab Emirates (UAE) Contractors Association, which groups several local building firms.

"There are major plans for investments there and negotiations are underway concerning several projects," he told AFP in a telephone interview. Although it has no oil, Lebanon was among the richest Arab countries before the civil war due to its large agricultural, tourist and commercial potentials.

Gulf and other businessmen had invested billions of Dollars in Lebanon but were forced to sell or freeze most of their investments when war erupted in 1975. Many Gulf Sheikhs and wealthy people however still own property there. Kuwaitis were the biggest Gulf investors in Lebanon before the war and despite their plight after last year's Iraqi invasion, they now head the campaign to return to Lebanon, Taleb said.

Real estate is again attracting most of the investments but there are plans to start trade and tourist ventures. "There is a trend now for commercial and tourist investments as joint Gulf-Lebanese projects," Taleb said. Investment could also cover the industrial sector, he said, adding there were proposals to set up a food canning factory in the fertile Eastern Bekaa Valley, under Syrian control since 1976.

"Such ventures will be financed by businessmen from the UAE," he said, although he had no details about them. He said a delegation from the Contractors Association would visit Beirut soon to explore investment opportunities while several independent contractors have gone there for the purpose. Lebanon began its march towards peace last October when rebel army General Michel Aoun was ousted by a Syrian-led offensive.

Aoun, who was sought refuge at the French embassy, was the only party to have publicly opposed an Arab-sponsored Peace Agreement reached in the Saudi Resort of Taif in late 1989. Thousands of Lebanese migrants have begun to return home but many of them are still hesitant to repatriate funds.

"We have big plans in mind for Lebanon," said a wealthy Lebanese businessman based in the UAE. "But we do not want to take the risk now because the situation there is still unclear."

Special facilities to cottage industry entrepreneurs

Star Economic Report Industries Secretary Shaiful Alam said entrepreneurs of BSCIC estates will be given special facilities for the development of small and cottage industries.

Alam was inaugurating a light engineering workshop M/S Reliance Engineering (Pvt.) Ltd in BSCIC industrial estate at Narsingdi. Moham-mad Maniruzzaman Chowdhury, Chairman, BSCIC was present on the occasion.

Stressing the importance of small and cottage industries, Shaiful Alam said more jobs will be created if the cottage industries sector develops. He assured all possible co-operation from the Ministry of Industries for development and promotion of small and cottage industries.

Maniruzzaman Chowdhury, Chairman BSCIC said the country can be industrialised rapidly through development of small and cottage industry and ensuring utilization of spare parts produced in small engineering workshop to large industries on the basis of subcontracting system.

In this respect he expressed the hope that this light engineering workshop would be able to meet the demand of spare parts to be used in the large industries of Narayanganj.

Presided over by Mr. Abdus Samad Mallik, Deputy Commissioner of Narshingdi, the inaugural ceremony were addressed among others by Md. Habibur Rahman, Director (Promotion and Extension) and A.K.M. Bakhtiar, Regional Director of BSCIC.

The workshop was set up at an estimated value of Tk. 66 lakh with credit support of Tk. 44.14 lakh from Bangladesh Krishi Bank. The workshop will produce different kinds of agricultural tools and spare parts for jute and textile mills. Employment opportunities for 60 people has been created in this workshop.

Nissan, Mazda to recall defective models

TOKYO, Aug 11: Nissan Motor Co. and Mazda Motor Corp. said yesterday they are to recall some 7,000 defective cars sold in Japan and abroad this year, reports AFP.

A Nissan spokesman said that a fault had been found in the rear wheel structure in 5,671 Cedric and Gloria models made and sold in Japan between December 1990 and July this year. The cars will be repaired free of charge.

Some 485 defective Cedric and Gloria models were shipped overseas and will be taken care of through Nissan's overseas network, the spokesman said. A Mazda spokesman said that defective brakes had been found in 1,122 Eunos Presso models, made and sold between April and June.

The spokesman said none of the cars, known as the Mazda MX-3 overseas, had been exported. \$21 m Japanese aid to Thailand

TOKYO, Aug 11: The Japanese government said yesterday it would extend grant aid totalling 2.96 billion Yen (21 million Dollars) to Thailand, reports AFP.

Of the total, 2.51 billion Yen (18 million Dollars) will be used to construct viaducts on a trunk road running through Bangkok to alleviate the city's traffic problems. Thailand will improve facilities at a bioscience research institute and a centre to promote teaching science and technology with the remaining money.

Croatia feels the pangs of economic transition

ZAGREB, Aug 11: The capital of Croatia has long seemed to be as much West as it is East. But the Yugoslav republic's economy now is suffering from the same maladies as much of Eastern Europe, with a bloody twist, reports AP.

The front line of Croatia's confrontation with ethnic Serb militias and the federal army is less than 60 kilometers (about 35 miles) from the center of Zagreb, where stores glisten with Western brand names that carry Western Euro-like price tags.

Economists estimate the dispute has cost Croatia about 5 billion Dollars, including at least 1 billion Dollars in tourist trade on the sunny Adriatic coast. But even without the ethnic troubles, Croatia would be buffeted by many of the same problems facing Eastern European countries with less experience in the world economy — the messy transition to private property and a market economy.

Sugar, oil prices irregular in London

LONDON, Aug 11: Cocoa prices rallied to a seven-month high during the last week. Although prices eased, fears of a significant reduction in Brazilian and West African harvest next season continued to pre-occupy the market, reports AFP.

SUGAR: Irregular. After a steady start, raw sugar prices eased while white sugar remained stable. The market continued to speculate on the volume of recent Soviet white sugar purchase, some traders estimating that Moscow could import up to 500,000 Tonnes in exchange for oil.

Activity in the Auk and Clyde Fields was also interrupted. Coming after early July problems with the Dunlin Pipeline, these latest incidents have cut the North Sea's capacity by 20 per cent. COCOA: Easier after steady start. Prices were supported by fears of a significant reduction in the Brazilian and Ghanaian harvests. Tradehouse GNI forecast that production and consumption would be balanced in the 1991-92 season, or even in deficit after eight years of surplus. But after touching a seven-month high, prices were

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last week provoked hopes of improved demand, particularly from China. COTTON: Hesitant. After a steady start, the price indicator eased on the Liverpool market. According to the US Agricultural Attache in Beijing, the 1991-92 Chinese cotton harvest should be 250,000 Tonnes smaller than first estimates due to recent floods. COFFEE: Weak. Prices were weakened by a downturn in activity due to the summer holidays of European roasters and by Brazilian and West African selling.