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BCCI prosecution
US, Abu Dhabi reach accord

WASHINGTON, Jan 10: A key figure in the Bank of Credit and Commerce International scandal will be extradited for prosecution by the Justice Department under an agreement with the government of Abu Dhabi, reports AP.

Justice Department officials confirmed the agreement Sunday and said they expect Swaleh Naqvi, the top deputy to the founder of BCCI, to be brought to the United States from Abu Dhabi within four months to face bank fraud charges.

Naqvi, now under house arrest in the Persian Gulf emirate, has been indicted in the United States but has never been interviewed by American prosecutors.

"He will be delivered here ... within 120 days. He'll be tried and we hope to convict him," Gerald Stern, head of the Justice Department's bank fraud section, said in a telephone interview.

Justice Department officials and a statement issued by the government of Abu Dhabi confirmed the agreement between the US government and the ruling family of Abu Dhabi.

The deal will give federal prosecutors access to Naqvi as well as to thousands of documents related to the case, the Justice Department said.

The agreement, reached in Geneva after a series of secret meetings, was first reported Sunday by The Washington Post.

In addition to Naqvi's extradition, the agreement calls for the royal family in Abu Dhabi to give up claims to an estimated 400 million dollar it had invested in the Washington-based First American Bankshares Inc., a former subsidiary of BCCI.

The funds, instead will be used in part to reimburse depositors of BCCI who lost money when the bank closed in 1991. Some of the money also is to be used to help pay severance for 1,000 former First American employees who lost their job when the bank's branches and assets were sold.

In return, US prosecutors have agreed not to pursue criminal charges against the ruler of Abu Dhabi, Sheik Zayed bin Sultan al-Nahyan, who had been the majority shareholder in the defunct BCCI, officials said.

And a 1.5 billion dollar civil suit brought against Zayed by the court-appointed trustee for First American will be dropped, according to the statement issued on behalf of the royal family. Zayed also has agreed to give up the 28 per cent interest he held in First American.

Stern said that as part of the agreement a team of US investigators from the Justice Department, the US attorney's office in New York and the Federal Reserve Board would go to Abu Dhabi to review the boxes of BCCI documents and question 10 former bank employees being held there.

Prosecutors hope that Naqvi, the chief deputy to BCCI founder Aga Hasan Abedi, will provide information as to how BCCI illegally came to control at least four US banks.

The inability to get to Naqvi and his files had been characterized as a major impediment to the US prosecution of the case.

Abedi, a Pakistani, suffered a stroke several years ago and has been unavailable to US officials. He remains in Pakistan.

Ireland keen to import garments

The government of Ireland is keenly interested to import garments, leather and jute goods from Bangladesh, reports BSS.

This was stated by visiting Irish Minister for Defence and Marine David Andrews in a discussion with Commerce Minister M Shamsul Islam at the latter's secretariat office here yesterday.

Welcoming the visit of the Irish minister in Bangladesh, the Commerce Minister expressed the hope that the existing bilateral relations between the two countries, particularly in the economic field, would be strengthened as Bangladesh was pursuing a liberal and reformative economic policy.

Islam said private sector of both the countries side by side the government endeavours should be encouraged to promote the trade relations.

Appreciating Bangladesh's liberal policy in economic sector, the Irish minister said there was enormous possibilities to strengthen trade relations.

David Andrews assured all possible cooperation in boosting trade relations.

Pointing to the opening of a trade centre in Dhaka Saturday, the Irish minister said the setting up of joint venture industries in Bangladesh was under consideration in order to expand the economic cooperation.

GATT deal: Impact on Bangladesh

The following is an editorial comment published in the MCCI monthly publication, 'Chamber News'.

Initial reactions on the Uruguay Round deal of General Agreement on Tariffs and Trade (GATT) appear to be mixed. Many countries have expressed their satisfaction, others have complained. In the developed world, several countries have complained over the manner in which the deal was concluded "in a hurry" towards the end. On the other hand, nearly all developing countries have expressed their frustration over the final agreement which, many feel, is an imposition by the developed world. Others who are yet to comment, seem to have fears and misgivings. Already some political elements have gone so far as to term the agreement as a conspiracy by the developed world to establish hegemony over the developing countries. Quite naturally, such pronouncements have overshadowed the fact that any multilateral trade agreement has to be a mixed pack of benefits and sacrifices. It is up to individual countries to plan and derive maximum benefits based on their competitive advantages. From this viewpoint, sooner the developing countries have a fair assessment of the agreement instead of unfounded fears and misgivings, will be better for them.

Firstly, it ought to be recognized that world politics and balance of power have changed comprehensively since the Uruguay Round negotiation began in Punta del Este seven years ago in 1986. With the collapse of communism, growing divisions among the developing countries and emergence of regional trading blocs, there is very little which can be done if the total package of the Uruguay Round deal does not coincide with the expectations of the developing countries. Simply put, the developing countries would not have been better off if the Uruguay Round had not succeeded. A failure would have necessitated them to have separate bilateral agreements with more than 115 countries, having the risks of "arm twisting" in a few cases.

If the developing countries are feeling frustrated, the developed countries, according to preliminary reports, have not been spared either. They have to reduce tariff on industrial goods by 30% and for more than 40 % of the trade flows have to be made duty-free. Coming to individual countries, Europe has given in on subsidies to agriculture and Air-bus Industries. The US has relented on the Hollywood's penetration of Europe and its demand to prolong Multi Fibre Arrangement (MFA) up to 15 years. Japan has to open markets to rice imports. The Australians are unhappy for their inability to increase market access of items like beef, dairy products, sugar, foodgrains, etc. In each case, the sacrifice has been made so as to help liberalise world trade, which in turn is expected to make up the short term sacrifices. The GATT deal is based on the expectation that liberalised world trade will spur world trade, a fair share of which will accrue to the developing countries. The assessment of the total package of the deal has to be made as to whether it will really liberalise world trade on a fair basis. Any process of liberalisation will, quite naturally, help the efficient and hurt the inefficient. As economists put, the GATT agreement has thrown open the demand side, the share of the individual countries will depend on their supply response. It has now fallen on individual countries to plan as to how their "supply response" can be improved.

Under the agreement member-countries will have to submit concrete details of tariff adjustments by February next. In April, 1994 ministers will meet in Marakesh, Morocco to sign the 400-page agreement and the countries have a year to ratify the agreement which will then come into effect by 1995. It, therefore, falls on all countries to prepare concrete details of tariff changes on the one hand and to plan as to how it can gain in short and long terms.

According to the OECD, following implementation of the Uruguay deal, the world trade will increase by around $ 275 billion annually. Substantial markets will open up for the developing countries for agriculture and labour intensive manufactured products. In the agricultural sector, after the subsidies are phased out within a period of 6 years, incremental trade will be very significant, a large portion of which can be availed of by low-wage economies. How much of the incremental trade can be shared by Bangladesh is a pertinent question. It will not be unreasonable to envisage some of our agriculture products to have shares of world market. It will be advisable to clearly assess the prospects for specific markets and then see whether the sanitary and phyto-sanitary rules in these countries have been harmonized with the GATT requirement so as to avoid any arbitrary curbs.

On the other hand, Bangladesh stands to be affected, if timely actions are not taken, by elimination of Generalised System of Preferences (GSP) and phasing out of Multi-Fibre Arrangement (MFA) by the year 2005. The Government should immediately initiate expert studies as to how the loss of GSP facilities can be made up and what measures are required to be taken for overcoming the situation arising from elimination of quotas for readymade garments under MFA. Without adequate forward and backward linkages, it will be extremely difficult to maintain the present level of exports of readymade garments, not to speak of getting additional share of the increased market of estimated $ 25 billion arising from the Uruguay deal.

Tk 637cr earned as tax revenue in six months

So far Taka 637 crore has been earned as tax revenue in the first six months of the current financial year against the target of Taka 1900 crore, reports BSS.

From Chittagong Division, Tk 145 crore was earned against the target of Tk 342 crore during the same period.

This was disclosed at a review meeting of the tax revenue earning position of Chittagong Division here yesterday with Finance Minister M Saifur Rahman in the chair.

The review meeting was told that the tax revenue target would be achieved with proportionately higher collections by the end of the financial year.

Of the three income tax zones under Chittagong Division, the performance of the Zone-2 was satisfactory.

The Finance Minister expressed his disappointment over the slow and poor collection of tax in the other two zones, particularly in the third zone.

Rahman cautioned against any irrational assessment and said anyone involved in such irrational assessment will be punished forthwith.

He regretted that a section of income tax officers were running after those who are willingly expressing their income substantially and providing tax revenue to the national exchequer. But at the same income tax officers are discouraging the assessors by fixing frightening figures of income tax against them.

By doing so, the income officers are not only failing to realise any amount from the assessees but also creating embarrassment for the government.

Traders from 3 states to discuss development projects

BANGKOK, Jan 10: Businessmen from Indonesia, Malaysia and Thailand will meet later this month to discuss development projects in the tripartite "growth triangle", reports Xinhua.

This would be the first meeting of the tripartite Growth Triangle Business Council (GTBC). At a meeting last July, the three countries each agreed to form a business council to develop the triangle.

The forthcoming meeting, scheduled for January 19 in Hatyai, Songkhla, south Thailand, is aimed at attracting Thai and foreign investment in the growth triangle.

Post and Telecommunications Minister Tariqul Islam visiting the stalls at Faridabad High School premises in the city yesterday following the formal opening of a five-day fair organised by Maitri Samaj Kalyan. — Star photo

Advanced course for AB bank officers ends

A three-week "Advanced Course for the 6th Batch of Probationary officers of Arab Bangladesh Bank Ltd. was concluded on Monday, says a press release.

The Bangladesh Institute of Bank Management (BIBM) and Arab Bangladesh Bank Ltd. jointly conducted the course with a view to discussing about the problems faced by the participants in various operational areas of banking.

The course contents, inter alia, including general banking, advances, foreign exchange, financial control etc.

The Director General of BIBM, A H M Nurul Islam Choudhuri, presided over the concluding session of the course.

He also distributed certificates among the trainee officers. A total of twenty-four officers participated in the training course. A T M Abdus Shahid and Md Atiar Rahman Mollah, BIBM Faculty members, coordinated the course.

New Executive Director of IJO

K M Rabbani has assumed the office of Executive Director of the International Jute Organisation(IJO) on Sunday, reports UNB.

He replaced Md Shamsul Haque Chishty who completed his term on 8 January, says a press release.

Rabbani was previously serving as the Principal Secretary to the Prime Minister. He started his career in 1959 as a member of the erstwhile civil service of Pakistan.

He was also actively involved with IJO and had led the Bangladesh delegation to the IJO sessions.

Iran's economic growth rate reaches 7.7 pc

TEHRAN, January 10: Iran witnesses an economic growth rate of 7.7 per cent in the current Iranian fiscal year (started from March 21, 1993), the state-run television reported on Saturday, reports Xinhua.

Iranian Minister of Economic and Financial Affairs Morteza Mohammad Khan was quoted as saying that during the first five-year development plan (1989-94), the country put one third of its foreign exchange revenues and 90 per cent of its foreign loans as investments to the development projects.

He said that in 1989, one year after the eight-year Iran-Iraq war, the country's Gross National Production only had a growth of 7 per cent but the figure has reached 14 per cent in 1992.

During the first five-year plan, Iran's agriculture has an average growth of 5.8 per cent, 0.3 per cent over the expected target, while non-oil exports had a growth of 28.7 per cent, Mohammad Khan said.

Referring to the country's expenditure, he said, the growth rate of government expenditure in the first five-year plan is 24.4 per cent and the figure would reach 43.4 per cent in the second five-year plan (to start March 21) due to the government expenditure in development projects.

He believed that at present the country's major problems were inflation and high consumption, saying that the target of consumption growth rate in the first five-year plan was 5 per cent but the figure has reached 10 per cent.

He urged the people to cooperate with the government to reduce the country's consumption and improve its economy.

Iran another report adds has exported 4.2 million tons of non-oil goods, which valued at 193 billion rial (about 110 million US dollar), during the past nine months, Iranian custom office reported here on Saturday.

The export volume witnessed a rise of 60 per cent in terms of weight and 32 per cent in terms of value as compared to the same period of last Iranian fiscal year, the report said.

The major non-oil goods exported during the period cover hand-woven carpets, nuts, ironwares and steel, chemicals, aluminium and copper dishes, pickled hides and cereals.

Out of the total figure, carpets export ranked top with a share of 22,000 tons and its export value reached 73 billion rial (about 41.7 million US dollar). The carpets export accounted for 37 per cent of the total exports.

The carpets export value in the past nine months was increased by 23 per cent over the same period of last fiscal year.

In order to reduce its reliance on oil income, the country has made desperate efforts to raise non-oil exports and the government has reduced the share of oil income from 67.2 per cent to 51 per cent in the budget of next Iranian fiscal year that due to start in March.

Beijing's boom in GNP cause of trade deficit

BEIJING, Jan 10: China said on Sunday that wide-ranging reforms instituted this year will help roll back its trade deficit in 1994, but economists said rapid domestic growth made another year of red ink inevitable, reports Reuter.

The 1993 deficit — the first in four years — was 12.18 billion dollar, state radio reported on Saturday. It was the second highest deficit on record after a 14.9 billion dollar deficit in 1985.

Imports rose 29 per cent from the 1992 level to 103.95 billion dollar and exports rose eight per cent to 91.77 billion dollar.

The main cause of the deficit was last year's boom in China's Gross National Product (GNP), which rose 13 per cent from a year earlier, sucking in imports and giving local producers a lucrative alternative markets to exporting their products.

Imports of steel and steel products rose more than threefold in 1993 to 30.34 million tonnes.

Ashrafuddin appointed Agrani Bank GM

A S Ashrafuddin Ahmed has been appointed General Manager of Agrani bank, says a press release.

Prior to this appointment, he was the Deputy General Manager of Agrani Bank at the head office in D...

Ahmed j...ned then Habib Bank in 1965 as a probationer.

New GM of Janata Bank

Md Shamsuzzoha joined the Janata Bank as General Manager on Saturday, says a press release.

Before taking up new assignment, he was in-charge of Loan Recovery Division, General Credit Division, Reconciliation Division at the head office as Deputy General Manager of the bank.

He started his banking career in the then Muslim Commercial Bank (now Rupali Bank) as a probationary officer and held many responsible position in the bank.

Indian fabric yarn show held

A "Buyer-Seller Meet" was organised jointly by the High Commission of India and the Synthetic and Rayon Textile Export Promotion Council of India on the occasion of a two-day exhibition of Indian fabric and yarn in Dhaka on Sunday, says a press release.

Redwan Ahmed, MP, President of Bangladesh Garment Manufacturers' and Exporters' Association formally inaugurated the exhibition.

Among others the High Commissioner of India in Bangladesh, senior officials of the Indian High Commission and representatives of different business organisations were present.

Redwan Ahmed MP said the development strategy all over the world is based on trade. By following this strategy in the seventies and eighties many countries have achieved unprecedented growth and development.

He said currently Bangladesh imports about 22 industrial and agricultural items from India, whereas only 7 items are being exported to India from Bangladesh. Bangladesh presently imports about 350 million yards of powerloom fabric, madras check, sheeting, knit fabric and gray fabric for use in the readymade garment sector.

Asian currencies close higher, yen continues to suffer against dollar

HONG KONG, Jan 10: Asian currencies closed generally higher on the first week of 1994, though the yen continued to suffer from a strengthening US dollar, reports AFP.

The Australian dollar gained on the back of improving confidence in the US economy, while the Singapore and Malaysian currencies also benefitted.

Japanese yen: The Japanese currency closed at 112.48 yen to the dollar in Tokyo, down 0.59 yen from the previous week's finish of 111.89 yen.

The Tokyo market resumed trading Tuesday after ending transactions December 30 for a year-end and new year recess.

Encouraged by the improving US economy, the Greenback opened this year's first trading higher at 112.78 yen and gained further ground later.

But on Thursday and Friday, the dollar shed some of the early gains on remarks by US Treasury Secretary Lloyd Bentsen that he was concerned about the yen's recent falls.

Australian dollar: The Australian dollar strengthened more than half a US cent during the week following an improved outlook for the US economy and commodity prices, closing at 68.50 US cents from the previous week's 67.98.

"Sentiment for the Australian dollar remains positive, helped by the recent rise in the US dollar and the prospects of improved growth in the United States," said a report by Commonwealth Bank of Australia.

On the Reserve Bank of Australia's Trade Weighted Index (TWI), a basket of major trading currencies, the Australian dollar rose to 52.4 points from 50.8 at the end of the previous week.

Analysts said part of the TWI's rise was due to a 33-per cent devaluation in the Chinese yuan.

Hong Kong dollar: The Hong Kong dollar closed on the week very slightly up against its US counterpart at 7.723 to the Greenback, compared to 7.726 a week earlier.

Singapore dollar: The Singapore dollar strengthened against the US dollar at an exchange rate of 1.5960 compared with the previous week's level of 1.6075.

Dealers said trading in the US dollar was very subdued, with heavy selling of the mark as traders feared a possible cut in interest rates in Germany.

Malaysian ringgit: The ringgit closed the week 720 points higher against the US dollar at 2.6260 from 2.6980 previously.

Analysts attributed the rise to the buoyant Malaysian stock market and competitive local interest rates.

The ringgit also closed higher against the yen at 2.3371 from 2.4132 and finished stronger against the sterling at 3.8946 from 3.9885.

Taiwan dollar: The Taiwan currency advanced to close at 26.599 to the US dollar, up 2.7 Taiwan cents from the previous week's finish of 26.626 on heavy trading.

Market dealers attributed the jump of the local dollar to increased inflows of foreign capital on stock investment.

New Zealand dollar: The New Zealand dollar closed at 55.73 US cents compared with its close the previous week at 55.80.

South Korean won: The won weakened from 808.20 won per dollar from the previous week to 813.00 won to the dollar.

Philippine peso: The Philippine peso appreciated to 27.558 to the dollar from 27.74 pesos to the dollar the previous week, the last day of trading in 1993.

This came after Trade Secretary Rizalino Navarro said he was confident the country would enjoy high foreign exchange inflows this year even as central bank governor Gabbiel Singson promised that exchange rates would remain stable.

Thai baht: The Bank of Thailand fixed the official midrate at 25.55 baht to one US dollar, up from 25.54 baht a week earlier.

The Greenback strengthened slightly because traders anticipated improvement in the upcoming non-farm payroll figures, one currency dealer said.

Indonesian rupiah: The Indonesian currency firmed modestly to 2,108 rupiah to the dollar from 2,110 rupiah the previous week.

Dollar lower, stocks higher in Tokyo

TOKYO, Jan 10: The US dollar opened sharply lower against the Japanese yen Monday, while share prices on the Tokyo Stock Exchange were up in early trading, reports AP.

The dollar opened at 111.65 yen, down 0.83 yen from Friday's close, and also lower than its close in New York Friday at 111.90 yen.

Yoshitaka Niwa, a dealer at Citibank, said the dollar was sold in early trading on suspicion that the Clinton administration is concerned about its recent gains against the yen.

The Nikkei Stock Average of 225 selected issues was up 145.42 points, or 0.80 per cent, to 18,269.43 after the first hour of trading. The Nikkei finished Friday up 242.02 points, or 1.35 per cent, at 18,124.01.

The Tokyo Stock Price Index of all issues listed on the first section was up 10.72 points, or 0.72 per cent, at 1,491.74. The TOPIX gained 11.75 points, or 0.80 per cent, to 1,481.02 on Friday.

Traders said share prices rose on arbitrage buying amid expectations of renewed buying interest by foreign investors.